An exposé of the current state of CRM in the hotel industry

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Dedicated to:

Assoda and Daya Rangasamy, my late parents

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ABSTRACT

It has even been argued that CRM is one of the most important strategies that any organisation intending to stay in business must develop. Based on the fact that hotel companies have in evidence already started to embrace CRM, the aim of this thesis is to explore the state of CRM in the hotel industry in contemporary terms.

As this thesis intends to be an example of basic research as well as applied research, the topic of CRM has been examined on both the conceptual level and at the practical level. While the secondary research gives a solid theoretical grounding, the primary research explores the reality of CRM in the hotel industry and ultimately proposes a list of CRM dimensions specifically aligned to this industry. This refined list of dimensions enables the thesis to contribute to the advancement of knowledge on the conceptual level.

In an attempt to gather an objective overview as well as an implicit insight into what the general population think about CRM, a combination of research approaches and methods have been used during the primary research. While the first phase of the fieldwork consists of a self-administered standardised questionnaire, the second phase revolves around repertory interviews. As the latter has arguably not yet been used within the hotel industry in the format used in this research study, its application enables this thesis to contribute to the advancement of knowledge on a methodological level too. The quantitative research instrument helped gauge which of the elements that academics have professed to be part of the CRM concept actually resonate with the guests and employees, and uncover how prevailing dimensions of CRM influence segments of respondents. The principally qualitative research instrument, the repertory interviews, helped examine the micro-reality of the respondents.

By considering the arguments of academia, the perceptual differences of employees (those who enable the delivery of CRM within the hotel industry) and guests (those to whom CRM is primordially targeted), this thesis not only ascertains that CRM is an applicable and valid strategy within the hotel industry in contemporary terms, but it also illustrates the triadic grounding of CRM as a still emerging concept, which pivots upon the three dimensions of technology, people and processes.

Although this thesis proposes a refined list of CRM dimensions, it is nonetheless argued that this list can only be temporal as not only will the concept of CRM continue to evolve but so too will the hotel industry, customers and most certainly the marketing environment. Notwithstanding, the deepest essence of this investigation is that people are driven by similar dimensions and that each dimension serves a purpose.

THE RESEARCH AIM AND RELATED RESEARCH OBJECTIVES

The aim of this thesis is:

To define and explore the concept of CRM in the hotel industry

Five specific research objectives have been deemed pertinent to enable the achievement of the aim of this thesis. They are:

Research objective 1:

To offer an insight into the evolution of Relationship Marketing as a concept

Research objective 2:

To illustrate the triadic grounding of CRM as a still emerging concept

Research objective 3:

To show that CRM is an applicable and valid strategy within the hotel industry in contemporary terms

Research objective 4:

To compare and evaluate the perceptual differences of guests and employees about CRM within the hotel industry

Research objective 5:

To contribute to knowledge by proposing a refined list of dimensions of CRM, which are specifically relevant and tailored to the inherent dynamics and operations of the hotel industry

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INTRODUCTION

BACKGROUND

The general consensus is that Traditional Marketing tends to be essentially associated with the development, sale and delivery of products and services by means of short-term transactions (Ballantyne, 1996; Healy et al., 2001). However, since the 1980s, academic research has increasingly advocated for longer term exchanges. Relationship Marketing has emerged as an alternative to Traditional Marketing (Håkansson, 1982; Berry, 1983; and Ford, 1997).The reasons given for this shift of marketing thought from an emphasis on single transactions and customer acquisition to relationships and customer retention have been varied. While such academics as Brodie et al. (1997) argue that Relationship Marketing has emerged from six distinct streams of research within the theoretical domain, other such as Zineldin (2000) attributes this shift to the intensification of competition and uncertainty in the marketplace. Still others regard the transition as the forthright effect of the attempt of companies to achieve optimum growth. In fact, academics such as Berry (1983), Grönroos (1994) and Gummesson (1995) go as far as to argue that organizations should restructure their efforts in line with the new paradigm that Relationship Marketing represents if they are to be able to survive and even grow within the increasingly competitive market environment.

In spite of much interest and effort, Relationship Marketing persistently remains ambiguous as a concept. In varied attempts to unravel its conceptual and fundamental underpinnings, several academics have defined Relationship Marketing (Harker, 1999). However, rather than clarify what the concept truly encompasses in reality, many of these definitions have instead arguably limited the scope of the concept. While some academics profess that Relationship Marketing revolves around external customers, others suggest that the concept is primarily controlled by the organisations. Still others have tried to explain the concept in terms of processes and reflect on the wide range of relational marketing activities, which various companies are performing. Consequently, depending on which position is being favoured, Relationship Marketing has been described as a specific type of marketing, such as database marketing or services marketing, a series of actions or even as a single entity, which embraces almost every other marketing discipline (Berry, 1983; Gummesson, 1988; Morgan and Hunt, 1994). Indeed, the precise meaning of Relationship Marketing is not always clear in the literature.

Considering the conflict of opinion, which appears to prevail with regard to the dimensions of Relationship Marketing, it is not surprising that Customer Relationship Marketing (CRM) has attracted just as many varied comparisons. Throughout the past decade, CRM has become such a buzzword that in contemporary terms, the concept has been used to reflect a number of differing perspectives. While it has at times been referred to as being synonymous to a form of marketing such as database marketing (Khalil and Harcar, 1999), services marketing (Grönroos, 1994c) and customer partnering (Kamdampully and Duddy, 1999b), at other times, CRM is specified in terms of more specialised marketing objectives such as customer retention (Walters and Lancaster, 1999a), customer share (Rich, 2000) and customer loyalty (Reichheld and Schefter, 2000). Furthermore, in addition to being defined as essentially relating to sales, marketing and services automation, CRM is increasingly being aligned to processes such as (Keynote, 2002a:1):

> enterprise-resource planning applications in order to deliver cost savings and more streamlined services within organisations

and the tracking of the relationships, which organisations have with their customers and their suppliers. Indeed, as Lindgreen and Crawford (1999:231) succinctly summarise, this area of Relationship Marketing seems often to be "described with respect to its purposes as opposed to its instruments or defining characteristics". However, Joplin (2001:81) poignantly sheds light on the significance of CRM within the current market environment when he emphasises that:

> far from being a fad, it can be argued that CRM is the most important strategy that any organisation intending to stay in business must develop.

PURPOSE OF THE RESEARCH STUDY

In contemporary terms, the term CRM is used to refer to both Customer Relationship Marketing and Customer Relationship Management. Although Customer Relationship Marketing and Customer Relationship Management may indeed be regarded as specialised fields of study, they are in fact inter-related. Subsequently, within the premise of this thesis, the scope of CRM spans from the development and marketing of relationships between organisations and their customers to the day-to-day management of these relationships.

In spite of extensive coverage, the real definition of CRM remains somehow evasive. In actual fact, even though much research has been directed into the benefits of engaging in the concept, the concept persists in being difficult to characterize. This is arguably due to the fact that companies are performing so many different activities that could be described as CRM. Indeed not only do Customer Relationship Marketing and Customer Relationship Management appear to be intertwined to represent CRM at times, at other times they are considered to be specialised fields in their own right. Furthermore, the customer part of CRM seems to be just as ill-defined. Does the C part of CRM refer to external customers as well as an internal customers, that is guests and employees, or does it in fact only refer to external customers?

It is unquestionable that guests as well as employees are at the forefront of operations within not only the business environment but also within the hotel industry (Zineldin, 1999; Reyes Pacios Lozano, 2000). However, creating an environment that successfully nurtures and maintains relationships with these sets of customers steadfastly appears to remain one of the greatest challenges faced by every organisation. Nevertheless, as pointed out by Kamdampully and Duddy (1999b), even though this may seem commonsensical, not only do companies all too often seem to lose sight of this primary goal (Kenny and Marshall, 2000; Matthews, 2000), but many companies additionally seem to be unable to reap the benefits and opportunities, which customer relationships can enable.

Notwithstanding, huge investments are increasingly being directed into the enhancement of CRM. While \$13.36bn was forecasted to be invested in CRM applications worldwide in 2002, it is anticipated that \$21.78bn would have been invested by the end of 2006. This figure is set to rise to an expected \$24.39bn by the end of 2007 (Keynote, 2003b).

However, in spite of growing investments aimed at inspiring customers, many CRM programmes appear to continue to be knocked down into irrelevance. Could this be due to unrealistic expectations of the potential of CRM, or the misunderstanding of the true meaning of CRM, or even a testimony to the fact that CRM is not being used adequately as a strategic tool?

The purpose of this thesis can be divided into two distinct sections. On the theoretical level and as an example of basic research, this thesis proposes to deconstruct the conceptual underpinnings of Relationship Marketing as discussed by academics and reconstruct the concept as it stands in contemporary terms. On an applied level, this thesis intends to gauge what dimensions of CRM actually resonate with guests and employees within the hotel industry in order to refine the engagement of CRM within the hotel industry. Accordingly, not only is the uncovering of perceptual differences of guests and employees sought, but so too is the assessment of the applications of the various components of the concept within the hotel industry.

RESEARCH AIM AND RELATED RESEARCH OBJECTIVES

The aim of this thesis is:

To define and explore the concept of CRM in the hotel industry.

Five specific research objectives have been deemed pertinent to enable the achievement of the aim of this thesis. They are:

Research objective 1:

To offer an insight into the evolution of Relationship Marketing as a concept

This objective is intended to show how Relationship Marketing has sprung from the shortcomings and limitations of Traditional Marketing and from the needs of companies, customers and the marketing environment.

Research objective 2:

To illustrate the triadic grounding of CRM as a still emerging concept

This objective is expected to clarify how even though the concept is still evolving, just as marketing is, in contemporary terms CRM currently pivots on three main dimensions, namely: technology, people and processes. The ways in which CRM is changing in line with the needs of customers and employees, advances in technology and the challenges faced by companies, are intended to be reviewed in depth.

Research objective 3:

To show that CRM is an applicable and valid strategy within the hotel industry in contemporary terms

This objective is intended to show how even though the hotel industry is traditionally contact-oriented and service-oriented, CRM is not only applicable to the industry but the concept has also already been embraced, albeit with varied success, within the operations and strategies of hotel chains.

Research objective 4:

To compare and evaluate the perceptual differences of guests and employees about CRM within the hotel industry

This objective attempts to gauge whether customers, those to whom CRM is targeted, and employees, those who are intended to deliver CRM within operations, have different perceptions about the dimensions and state of CRM within the hotel industry. Even though this thesis by no means intends to discuss or even unravel causality, the analyses however intend to uncover associations or non independency between the variables. Indeed, the importance allocated to the various components and activities of CRM by the various segments of the respondents are intended to be explored.

Research objective 5:

To contribute to knowledge by proposing a refined list of dimensions of CRM, which are specifically relevant and tailored to the inherent dynamics and operations of the hotel industry

This objective can be divided into two distinct components. On one level, the refining of the theoretical components of the concept of CRM can be considered to strengthen the status of this research study as an example of basic research. Accordingly, this thesis is intended to contribute to knowledge in the field of marketing and the hotel industry. On another level, as far as the topic of CRM is specifically concerned, the generation of a summary of the dimensions of the concept, which are aligned with the prevailing dynamics and operations of the hotel industry is intended to be offered in order to ground this research study as an example of applied research. Indeed, it is intended that the contribution generated by this thesis would facilitate the implementation and maintenance of CRM within hotel chains and in the hotel industry in general.

The research objectives are intended to not only help organise the research study in terms of the main themes whereupon the researcher should focus. Subsequently, they are meant to give the research study direction as well as enhance the coherence of the overall study. On another level, the research objectives are also intended to demarcate the main topics of both the secondary research and the primary research. Consequently they are expected to clearly identify the boundaries of the various themes to be explored. In essence the research objectives are meant to ensure that the researcher remains focused on the actual aim of the thesis. Furthermore, in their own right the above five objectives are intended to provide a conceptual and structural framework around which this thesis is to be built. Indeed, they are ultimately expected to point to the data that should be collected during the primary research. Accordingly, they by all means anticipated to directly influence the empirical thinking and procedures adopted throughout this thesis.

STRUCTURE OF THE RESEARCH STUDY

This thesis has been divided into 5 main sections: Introduction, Critique of the Literature (Chapter 1, 2 and 3), Methodology (Chapter 4), Presentation and Analysis of Findings (Chapter 5, 6, 7 and 8) and Conclusion.

The Introduction offers an overture to the area of investigation, background information and offers a rationale for the research study. In this section of the research study, the research aim and the research objectives are identified and discussed; so are the key issues pertaining to CRM. A synopsis of the ontological thinking adopted for the research is also offered throughout the various sections.

The critique of the literature which spans across Chapters One, Two and Three provides an in-depth review of the literature relating to Relationship Marketing and CRM in both the hotel industry and in the general business world. These chapters are intended to describe the theoretical grounding of the concept of CRM as well as explore how the concept is being implemented within the business environment in contemporary terms. Accordingly, the critique of the literature is intended to investigate the theoretical as well as the practical dimensions associated with CRM.

As the aim of this thesis is to define and explore the concept of CRM in the hotel industry, Chapter One attempts to create a mise-en-scène for the thesis. Accordingly, an overview of the London hotel sector, the section of the industry within which the primary research is conducted, is first offered. The applicability of CRM to the hotel industry is thereafter assessed. In an attempt to evaluate how CRM has been embraced by hotel companies so far, campaigns and current practices are identified and discussed.

Throughout the past decades, the term strategy has often been linked to marketing objectives and even tactics. One of the main objectives of this thesis is in fact to depict how CRM is an applicable and valid strategy within the hotel industry in contemporary terms. Consequently, the theoretical dimensions of strategy are discussed in order to evaluate whether CRM is in fact a plausible strategy. Subsequently, even though light is shed on how CRM often revolves around mere marketing tactics, the validity of CRM as a strategic solution is established.

In terms of areas of competency, which this research project aims to develop, the purpose of Chapter One is two-fold. While on the one hand, it attempts to offer a multi-dimensional perspective of the relevance of the concept of CRM to the hotel industry, on the other hand, it offers an insight into how hotel companies have already started to embrace some dimensions of CRM. Suffice to say then, that in essence Chapter One represents the first level of foundation for an understanding of the concept of CRM in contemporary terms.

Chapter Two begins by discussing the emergence of Relationship Marketing as a plausible alternative, which could have arisen or indeed been created due to the inadequacy of the Marketing Mix management model in the general business environment. The two general marketing perspectives, Relationship Marketing and Transactional Marketing, are contrasted against the backdrop of the hotel sector in an attempt to show the pertinence of the transition, which has occurred from Traditional Marketing to Relationship Marketing.

Whether accepted as a paradigm shift, as little more than a fad or as a new-old concept, Relationship Marketing appears to be perceived as a solid force within the business environment by academics as well as practitioners. Chapter Two discusses the plausible ways in which Relationship Marketing could have emerged. Accordingly the plausibility of its development from the evolution of the market environment or from academic or indeed from practice is explored.

In order to be able to offer a solid theoretical grounding to the research study, an extensive review of the underlying characteristics as well as the pivotal axes around which Relationship Marketing, the antecedent of CRM, has revolved over time has been recommendable. Consequently, Chapter Two also reviews the prevalent definitions of Relationship Marketing. The main characteristics are highlighted and discussed in an attempt to unravel its conceptual underpinnings.

In an attempt to offer grounding to the concept of Relationship Marketing, the contents of this chapter are largely founded on theories, concepts and models. Accordingly, models such as The Virtuous Circle, Total Quality Management and the Ecological Collaborative Value System are discussed. Although the focus of this thesis is intended to remain on CRM, an overview of some of the other components of Relationship Marketing has been included in order to offer a more wholesome portrayal of the concept. Ultimately, Chapter Two endeavours to not only review the theoretical grounding of Relationship Marketing and CRM, but just as importantly, it leads this thesis onto the platform from which the implementation and practice of CRM is refined in Chapter Three.

While the critique of the literature has been built with the primordial intention to develop the theoretical grounding of CRM, it has also been deemed necessary to identify activities, which can be presented as substantive evidence of the applicability and practice of CRM within the hotel industry. Accordingly, Chapter Three emphatically reviews the dynamics of CRM, as a concept in its own right and as it is being embraced in contemporary terms within hotel chains. Furthermore, by basing itself on an extensive yet broad literature analysis, Chapter Three not only identifies and reviews the prevalent elements associated with CRM, but also attempts to shed light on its pivotal dimensions.

The aim of Chapter Three is two-fold. On one level, it intends to set a platform for the primary research. Thus, empirical studies within the hotel industry are reviewed in an attempt to align the empirical data collection methods used within this research study with current practices. On another distinct level, this chapter aims to deconstruct the concept of CRM in line with the triad perspective whereby CRM is regarded as a combination of people, processes and technology that seeks to understand a company's customers. Accordingly, the theoretical and practical components of CRM are deconstructed and reconstructed in terms of the three dimensions of technology, people and processes.

Chapter Four outlines the processes conducted to implement the methodological approach adopted for this research study. The research philosophies predominant in marketing research have been evaluated in order to determine which research approach is best suited to the aim and objectives of this thesis. Through a comparison of the main paradigmatic orientations, the ontological and epistemological assumptions of the positivist and the interpretivist approach are reviewed.

The research design has been reviewed in detail. Accordingly, the conduction as well as the pilot testing of the first and second phases of the primary research have been described. In order to offer a wholesome exploration of CRM within the hotel industry, the primary research has been conducted in two distinct phases. While the first phase of the fieldwork revolves around a purely quantitative research instrument, namely a standardised questionnaire, the second phase revolves around a qualitative research instrument, namely repertory interviews. The sampling procedures conducted for the fieldwork have also been discussed. An overview of the main issues surrounding the secondary research has also been provided. The validity and reliability of the means and methods used throughout the study are evaluated. Ethical considerations and the element of reflexivity, which the researcher needed to integrate during the entire research process, are also reviewed.

Chapters Five and Six focus on the first phase of the fieldwork whereby a self-administered standardised questionnaire has been used. 617 usable questionnaires were completed by employees and guests. While Chapter Five discusses the techniques used to analyse the data collected by the questionnaires, Chapter Six discusses the findings of the testing of hypotheses of associations in line with the themes explored during the critique of the literature.

In an attempt to uncover prevailing perceptions, responses have been assessed in line with demographic features. A comparative approach has been followed in order to represent the quantitative data collected by the questionnaires realistically as well as to represent the inherent reality explored statistically. Frequency tables of single variables have been quintessential in the refining of categories whereas crosstabulations have been instrumental in assessing the associations being variables. The statistic test Pearson chi square has been used to determine association between variables. Loglinear analysis has been used to examine higher order interactions and determine associations among more than two specific variables. This chapter also attempts to find out if there is any dimension which, albeit being hailed by academics as being part of CRM, is no longer relevant to the current reality of CRM within the hotel industry.

Chapter Seven and Chapter Eight focus on the second phase of the fieldwork during which one to one repertory interviews have been conducted with 100 employees and guests. The aim of the second phase of the primary research is to identify which image attributes or constructs guests and employees associate with CRM with minimum bias and imposition from the researcher. It was intended that the data gathered during the repertory interviews, albeit being acquired in a qualitative format, would be converted into quantitative data for analysis. Chapter Seven explains the associated techniques of factor analysis, which have been used to reduce the data and constructs collated during the interviews in the repertory grids and identify the common and idiosyncratic factors, which guests and employees associate with CRM within the hotel industry.

Chapter Eight discusses the findings of the second stage of the analysis of the data collated in the repertory grids whereby the factors listed as Factor 1 are examined against the demographic and usage features of the interviewees in an attempt to uncover influences and differential proportions. Due to the limited number of interviews, the provision of confidence intervals was also deemed necessary. Through hypothesis testing differential perceptions and patterns are uncovered.

The final chapter, Conclusion, discusses how each of the five research objectives identified earlier in the Introduction have been addressed by this thesis. Accordingly, a list of CRM dimensions specifically aligned to the dynamics of the hotel industry is offered. This chapter also evaluates the unique methodology used this thesis in retrospect. Finally, this thesis concludes by suggesting directions for future research with regards to conceptual frameworks and methodological approaches. Additional areas, which due to the need for the maintenance of focus on the actual research topic could only be discussed with relative superficiality or not considered, are also identified.

SYNOPTIC OVERVIEW

This chapter starts by offering an overview of the main issues relating to Relationship Marketing and CRM in order to illustrate how pertinent and timely an implicit exploration of the concept of CRM is to contemporary marketing. The rationale for this thesis is accordingly offered. The research aim is identified and the associated research objectives briefly reviewed in order to provide an overview of the intentions of this research study.

In an attempt to offer a synopsis of how this thesis intends to achieve its objectives, a summary of the various chapters has also been offered. Accordingly, the flow as well as the grounding of the thesis as a combination of basic research and applied research is illustrated. Indeed, this thesis is not only intended to extend the theoretical understanding of CRM, but it also aims to offer an operational model of CRM so that the concept may be embraced within the hotel industry alongside hotel operations and strategies.

CHAPTER ONE

INTRODUCTION

The field of marketing has evolved over the years to become perhaps the only business function, which is directly involved with customers as both the source of operations and the end users of the resulting products or services of these operations. However, it is only when the dimensions of marketing are truly understood and managed adequately that companies, including hotel companies, have the potential to efficiently and effectively benefit from the relationships that can exist between their customers and themselves. CRM is increasingly being hailed as the platform from which this can be achieved.

The aim of this thesis is to define and explore the concept of CRM within the hotel industry. This chapter intends to illustrate how CRM is pertinent to the hotel industry. After an overview of the London hotel sector and of the hotel industry in UK is provided, the applicability of CRM to the hotel industry is assessed. In an attempt to evaluate at which levels CRM has been embraced by hotel companies so far, current practices are identified and discussed.

Throughout the past decades, the term strategy has often been linked to marketing objectives and even tactics. As discussed during the Introduction, one of the main objectives of this thesis is in fact to depict how CRM is an applicable and valid strategy within the hotel industry in contemporary terms. Consequently, the theoretical dimensions of strategy are discussed in order to evaluate whether CRM is in fact a plausible strategy. Subsequently, even though light is shed on how in practice CRM often revolves around mere marketing tactics, the validity of CRM as a strategic solution is established.

In terms of areas of competency, which this research project aims to develop, the purpose of this chapter is two-fold. While on the one hand, this chapter attempts to offer a multi-dimensional perspective of the relevance of the concept of CRM to the hotel industry, on the other hand, it offers an insight into how hotel companies have already started to embrace some dimensions of CRM. Suffice to say then, that in essence this chapter represents the first level of foundation for an understanding of the concept of CRM in contemporary terms.

AN OVERVIEW OF THE HOTEL INDUSTRY

The London Hotel Sector

A diverse group of hotel companies including a range of global chains and growing domestic chains operate within the London hotel sector (Mintel, 2006). A considerable number of independent owner-operator hotels also prevail in the sector. As an international destination, London includes a high concentration of deluxe hotels at the top end of its diverse range. However, a wide range of mid-market and budget hotels also operate in the capital. Hotels in London cater to the needs of both business and leisure guests. London also serves the international and domestic conference and exhibition sector through hotels and special sites such as Kensington Olympia and Earl's Court.

The general consensus is that even though it has taken a long time to do so, the UK hotel industry as a whole has finally recovered from the dual impacts of 9/11 and foot and mouth disease with regard to both the international and the domestic market (Mintel, 2006; Key Note, 2006). Subsequently, the industry has been able to report much improved revenues for 2005 and 2006. Even though at the start of the decade a turnover of under £10bn was being reached, it has been reported that in 2005 the UK hotel sector achieved a total revenue of £10.9bn; an estimated £11.2bn is expected to be achieved in 2006 (Mintel, 2006). This trend is expected to grow to an estimated turnover of £16.852bn for 2010 (Key Note, 2006). Revenue in the hotel sector is generated not only from accommodation but also from the use of food and beverage facilities and other facilities, including conference and meeting rooms.

As a market environment, the London hotel sector tends to be more exposed to global economic developments as it is often the first choice of destination for international travellers. As such, this sector is also more threatened by international issues (Key Note, 2006). The London hotel industry was severely affected by the bombings, which took place in London in July 2005 (Key Note, 2005). However, in spite of a dip in occupancy levels, the industry has recuperated its trend towards improvement (Key Note, 2006).

The corporate sector is the most significant in terms of size and turnover (Key Note, 2003c). The fact that business guests account for a higher share of sales has been recognised by hotel companies and hoteliers have been intensely targeting this market. New room designs and the enhancement of business facilities as well as incentive schemes have been among the developments specifically invested in to tailor to the needs and demands of the business guests (Key Note, 2001b). For instance, in July 2005, InterContinental announced a new inter-regional rewards club covering France, UK, Ireland, Germany, Spain, Portugal and the Benelux countries. BusinessClub is an incentive programmes offering rewards for corporate bookers ranging from Priority Club Rewards points and high-street shopping vouchers to Amazon gift vouchers (Key Note, 2005). From May 2006, Marriott International launched its first online campaign. The aim was to appeal to two different types of business traveller, those older than 45 years old and those under 45 years old. Banner advertisements on key business websites directed users to microsites, where they could check reservations and view special offers. Younger business people were attracted through sites such as Guardian Unlimited, while older ones were targeted through sites such as Telegraph.com, and Ft.com (Key Note, 2006).

The challenges that are faced by the leisure sector are varied. The leisure market suffers from intense competition from other European destinations (Mintel, 2006). The relative strength of the pound sterling and the ease of accessibility to continental Europe have affected the short-breaks market for leisure guests. The rise of budget airlines has provided a big challenge for the leisure sector as prospective guests are now increasingly able to choose between breaks overseas and in UK. In some cases, there is little price difference between the two (Key Note, 2003c). In response to such threats, many of the major hotel companies have begun to actively focus their marketing efforts towards the leisure market (Key Note, 2005). For example, in May 2003 Hilton Group Plc launched

Hilton Family Breaks, a leisure product targeted at families. This initiative offers breaks during weekends and school holidays in 51 hotels in UK and Ireland. Several partners including Hamleys, Mothercare and the Cartoon Network were enlisted to create a value-added product (Key Note, 2003c).

The marketing environment, through both the micro-environment and the macro-environment, not only forms the backdrop of the London hotel industry but also strongly influences the industry. Due to its interdependency with external international and domestic market forces, the London hotel industry arguably operates in an environment of moderate uncertainty. Moreover, even though the London hotel sector is by no means stagnant with restructuring, mergers, developments and new entrants entering the market, London hotels operate within a relatively mature market environment (Teare et al., 1994). Within mature market environments, it has been advocated that companies tend to have to rely more on their established client base (Sheth and Parvatiyar, 2000). As in spite of movement in terms of mergers, acquisitions and sale of properties, this has been established to be the case for the London hotel sector, the concept of CRM is arguably particularly relevant to hotel companies operating in London.

Marketing within the Hotel Industry

Simkin (2000:156) succinctly emphasises that as "marketing is not a science", there is thus "no single correct definition or approach to undertaking marketing". However, albeit with varying degrees of precision and emphasis, several pioneering academics within the field of management and of marketing support the crucial role that customers play within the scope of marketing. For instance, while such academics as Levitt (1960:49) advocates the importance of paying attention to "customers' basic needs and preferences", others including Drucker (cf. Simkin, 2000) explicitly argue in favour of moulding a company's services and products to the needs and wants of its customers. Indeed, according to Drucker (cf. Simkin, 2000:156), the aim of marketing is not only "to make selling superfluous", but perhaps much more importantly,

> the aim is to know and to understand the customer so well that the product or

service fits him/ her and sells itself.

Building upon arguments by Grönroos (1989) and Gummesson (1994), Baker instead argues that the "true essence of marketing" is in fact equivalent to the "establishment of mutually satisfying exchange relationships" (2001:3). In addition to emphasising the increasing acknowledgement that customer needs should be nurtured within the business environment, Jobber's (1998:4) expression of the "modern marketing concept" sheds light on the implicit effects, which competition can and does have on the marketing arena and on the success of companies. Accordingly, he maintains that this concept manifests "the achievement of corporate goals through the meeting and exceeding of customer needs better than the competition".

Indeed, as pertinently identified by Morgan and Strong (1998:1053), the ability of a firm to outperform its competitors is essentially based on the premise that the firm can create "long-term superior value" for its customers. It is however a later definition by the American Marketing Association that arguably even more relevantly links the debate surrounding the definition of marketing to the underlying theme of this research study. By advocating that:

> Marketing consists of individual and organizational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, servicing, distribution, promotion and pricing of goods, services and ideas,

this definition (cf. Simkin, 2000:157) not only encompasses the elements and processes usually associated with marketing, but it additionally sheds light on how relationships can be the pinnacle of marketing management. Notwithstanding, within this thesis, the ultimate definition of marketing is arguably offered by Grönroos (1989:57) when he states that:

> Marketing is to establish, develop and commercialize long-term customer relationships, so that the objectives of the parties involved are met. This is done by a mutual exchange and keeping of promises.

Therein arguably also lays the fundamental underpinning of the growing importance of CRM within the increasingly dynamic and competitive market environment of the hotel industry.

The strife to focus on the needs and wants of the customers appears to be repeatedly identified as one of the main functions of marketing. However, while academics including Levitt (1960) and Drucker (cf. Simkin, 2000) appear to focus on the concern to find ways of satisfying the genuine needs and wants of specifically identified customer target segments and markets, others such as Ferrell and Lucas (1987) and Kotler et al. (2002) seem to focus more on the fact that all business decisions should be made with attentive reference to the customer. Such a standpoint implies that the marketplace needs to be constantly monitored to identify potential opportunities. In reflecting upon the strategic and operational aspects of marketing management, namely analysis, planning, implementation and control, both the UK Chartered Institute of Marketing (Lancaster et al., 2002) and the American Marketing Association (Simkin, 2002) portray marketing as a continuous process rather than a single step. Following a different continuum whereby competition appears to be at the forefront of the concept, several other academics including Morgan and Strong (1998) and Jobber (1998) reflect on the effective usage of internal and external resources to maximise the competitive positioning of a business. Within this vein of thinking, marketing is compared to a tool, which can be used to help companies create a competitive edge over their competitors. Notwithstanding the relevance of all the above themes, it is however the recognition that identification, satisfaction and retention of customers is key to long term profitability that is arguably the scope of marketing that ties in best with the theme under study in this thesis.

The Applicability of CRM to the Hotel Industry

The hotel market is global in nature (Key Note, 2005), with many hotel companies offering their brands either worldwide or through international partnerships. CRM is therefore of key importance to the industry, in particular to chains of hotels. Indeed, even though large hotel chains in particular are continuing to spend on above-the-line activity and campaigns (Key Note, 2002b), lucrative relationships can be developed and are in fact highly recommendable within the hotel brands (Key Note, 2001b).

As discussed in Chapter Three, according to Grönroos (1994b), the lack of separation between the offering and the consumption of the products or services results in service firms having the elements, which are necessary for the forging of relationships with their customers. Within the hotel industry, there is arguably little, if any, separation between the product and the service elements. Therefore, the hotel industry may be seen as inherently possessing the elements necessary for creating and nurturing relationships with customers. Zineldin (1999) arguably best highlights why CRM may be particularly relevant to the hotel industry in London when he advocates that within environments where most companies offer almost the same core products and services, differentiation becomes more interesting to the companies, which have the strongest potential and resources to develop long-term relationships with their customers. In spite of being differentiated by their star rating, most hotels in London tend to offer more or less the same core products and services: accommodation surrounded by a range of food and beverage services. Thus, the development of relationships with customers could arguably be considered emphatic to the London hotel industry. Notwithstanding, hotel companies based in London have repeatedly attempted to differentiate their offerings. For instance, in 2003 the London Hilton Park Lane launched an entire floor dedicated to women travellers only. The concept, branded 22nd Floor at London Hilton on Park Lane, was designed for women who are looking for extra security, discretion and comfort (Key Note, 2003c). In an attempt to combat the downturn in the company's occupancy in 2003, Radisson Edwardian, which owned 11 four-star and five-star hotels in London, focused on offering value-added services such as champagne and free room upgrades (Key Note, 2003c).

As discussed in more depth in Chapter Two, the accepted origins of the relational approach, has been attributed to the service sector by such academics as Berry (1995), O'Malley and Tynan (2000) and Simkin (2000). As it is usually associated with the service industry, the hotel industry is undoubtedly aligned to the relational approach. However, hotels also revolve around the offering of products in terms of rooms for instance. Such academics as Gremler and Brown (1996) argue that the dynamics of loyalty towards products cannot be generalized to loyalty towards services and vice-versa. In alleging that service loyalty is more dependent on the development of interpersonal relationships than on tangible products, Macintosh and Lockshin (1998) attempt to explain the unsuitability of Gremler and Brown's generalization. Based on Macintosh and Lockshin's argument, longer-term relationship building processes can arguably apply equally to the tangible goods as well as to the service element within hotels.

In emphasising how,

> it has become increasingly difficult for firms to retain distinctive product/ service differentiation over long periods and retain customers' ongoing patronage,

Kandampully and Duddy (1999b:318) identify how companies should not only "focus on retention marketing" but also aim to achieve "long-term relationships through the fulfilment of the service promise". Within the context of this research study, even though the arguments that advocate that CRM can only truly apply to industrial or business to business settings are acknowledged (Sheth and Parvatiyar, 2000), it is nonetheless suggested that the essential interface, which appears to flow seamlessly between the service element and the product element of the hotel environment, provides the best and richest opportunities for the revelation of the genuine dynamics of CRM. Accordingly, it is suggested that the hotel industry provides an ideal environment within which CRM with regard to services as well as products can be applied.

CRM AND THE HOTEL INDUSTRY

The Link between Strategy and CRM

In contending that strategy encompasses not only the planning but also the implementation of actions with the intention to meet a company's objectives, Miller and Dess (1993) appear to support a simplistic, yet integral viewpoint about the significance of strategy within the marketing arena. Such a perspective is arguably replicated by Wheelen and Hunger (1995) when they compare strategy, to a set of decisions and actions, which management take. However, it is Wheelen and Hunger's (1995) emphasis on how these set of decisions and actions are directly related to the long-term performance of an organisation that explicitly highlights the significance of strategy with regard to CRM. With both standpoints defining strategy in terms of managerial decisions, which are aimed at influencing the performance and ultimately the success of an organisation in the present as well as in the future, it would indeed appear that strategy is closely linked to the most basic organisational objectives. This standpoint is favourably supported by Glueck (1989) when he advocates that strategy is akin to an integrated yet broad plan, which aims to ensure that the basic aims of an organisation are ultimately met.

In spite of the positive connotations, which the concept of strategy appears to have engendered, Hitt et al. (1997) however offers a reminder that in order to achieve competitive advantage through their strategies, organisations must first learn how to exploit their core competences. Some main variables or aspects of strategy appear to be consistently emphasised. While strategy is repeatedly described as being concerned with the long-term direction of an organisation, managerial decisions are also depicted as being crucial in the achievement of competitive advantage. Managerial strategic decisions are depicted as being fundamentally concerned with not only the matching of an organisation's resources and competences to the environment within which it operates, but also with the matching of a company's activities to that environment. Within the context of this research study, it could indeed be suggested that strategy is not only intricately connected with the business philosophy, which an organisation adopts but that it is also ultimately linked to the manner in which CRM is embraced by that company.

By defining strategy as:

> the direction and scope of an organisation over the long term, which achieves advantage for the organisation through its configuration of resources within its changing environment and to fulfil stakeholder expectations,

Johnson and Scholes' (2002:10) not only highlights the relevance of core competences and resources to the field of management and marketing but perhaps even more importantly with respect to the discourse for this thesis, they also shed light on the significance of customers' expectations in the pursuit of success.

In line with the fundamental principles of Relationship Marketing discussed in Chapter Two, one of the main objectives of most organisations is to optimise their performance over time. According to Porter (1980, 1985), the achievement of competitive advantage or even mere performance is central not only to long-term success but also to the strategies, which a company chooses to adopt. However, in order to achieve this competitive advantage, Porter argues that firms must choose which type of competitive advantage they wish to achieve as well as the scope within which this advantage is to be attained. Advocating that the pursuit of competitive advantage is based on a set of generic strategies, Porter prescribes that each organisation must decide whether to concentrate on a focused or a broad target audience and whether to adopt a low cost/ price strategy or a differentiation strategy *(see Appendix A)*. Porter even postulates that if a company does not pursue one of these generic strategies, not only will it be stuck-in-the-middle, but perhaps even more importantly that the company will also experience lower performance when compared to companies that pursue one of the four generic strategies. Accordingly, it could be argued that hotel chains must select which strategy they wish to follow with regard to their CRM initiatives. This has in evidence already been witnessed within the hotel industry. In a drive to establish the company as the price leader in the budget sector, in October 2001, Travelodge signed a £2m deal with the food distribution company, 3663, to place truck-side banner advertisements on over 60 of their lorries. Each lorry carried a banner with the headline "rooms for just £39.95". Focusing on the quality dimension as differentiation, as part of a £2m advertising campaign to show people the positive experience of staying at a Holiday Inn, in early 2002 the company conducted responsive press advertising in national newspapers (Key Note, 2002b).

While Porter contends that an organisation must choose between following a low cost/ price or a differentiation strategy, Johnson and Scholes' (2002) instead advocate that firms can in fact follow both cost leadership and differentiation strategies. Johnson and Scholes' Route 3 or Hybrid Strategy enables the simultaneous achievement of low price and differentiation *(see Appendix B)*. This can arguably be achieved within the hotel industry too. For instance, in July 2001, Premier Lodge launched a marketing campaign to attack the mid-market sector. The 3-month campaign targeted both leisure and business guests and compared the chain's facilities and cost to its rivals within the 3 star hotel sector (Key Note, 2002b). The chain was arguably attempting to establish itself not only as a price leader but also on the basis of value for money. Nonetheless, according to Miller (1992), in markets where consumers exhibit strong preferences for either quality or price, the pursuit of a pure generic strategy is more beneficial than that of a hybrid strategy.

Although the general consensus is that achieving competitive advantage as part of strategic options is crucial for the long-term success of companies, it has also been highlighted that unless these competences reflect what customers are really looking for, the achievement of competitive edge will remain evasive. In an attempt to help identify the needs and wants of customers, Johnson and Scholes (2002) discuss how all customers in a particular market or segment have threshold requirements for the products and services, which they are going to purchase or use. Thus, if a company intends to target a particular market or target segment that company must indeed ensure that it offers at least the minimum criteria, which the target audience expects. Only then, can that company expect be in a position to attract and even retain the targeted customers. Meanwhile, despite advocating that an organisation should choose between following a low cost/ price or a differentiation strategy, Porter however also argues that firms should not focus solely on either a cost leadership or a differentiation strategy to the exclusion of other strategies. In actual fact, Porter contends that cost leaders should devote some resources to differentiation activities, whilst companies that pursue a differentiation strategy should not do so to the detriment of their cost structure either. Consequently Porter suggest that although companies would ultimately only be able to concentrate on a range of features in their attempt to meet the needs and wants revealed by their customers, they should nonetheless not altogether ignore the other dimensions, which have been also been identified by customers as being important.

In line with the subjectivity of hedonic and utilitarian needs of customers (Solomon et al., 2002), it is indeed anticipated that customers are likely to value some product or service features above others. For instance, within the budget hotel sector, it is plausible that customers will attach more importance to value for money than to loyalty or recognitions schemes. According to Brotherton (2004), customers use specific criteria or critical success factors to distinguish amongst those organisations that meet their threshold product or service requirements. Consequently, it is argued that not only should a company identify the specific critical success factors of its target customers but that company should also aim to excel in these if it is to outperform its competitors and retain the interest of its existing and potential customers. In a review of academic and industry-focused literature, Brotherton (2004) identified 36 potential critical success factors relevant to the hotel industry *(see Appendix C)*.

In spite of Brotherton's (2004) detailed study, the importance of critical success factors to organisations is arguably best highlighted by Fleisher and Bensoussan (2003), when they state that excellent execution around the critical success factors will ensure an organisation's competitiveness and requisite excellent financial performance. Conversely, poor execution around these factors will be manifested in declining competitiveness and ultimately, poor financial performance. In light of the importance, which they attribute to critical success factors, Fleisher and Bensoussan even advocate that the accurate determination of an organisation's customers' specific critical success factors should be the first step that a company takes in the formulation of any strategy. The second step in any strategic process, they argue requires the identification of that organisation's resources, capabilities and competences. Once identified, these can then be evaluated in order to identify gaps between the organisation's resources, capabilities and competences, and the critical success factors identified.

Johnson and Scholes (2002) identify three critical dimensions, which they advocate companies must be taken into consideration when making a strategic choice or decision. These are: suitability, acceptability and feasibility. While suitability revolves around whether a strategy addresses the circumstances in which an organisation is operating, namely the organisation's strategic position, acceptability instead relates to the expected performance outcomes of this specific strategy. Consequently, for any strategic option to be taken into consideration, its impact on return on investment, risk and even stakeholder reactions should also be measured. Feasibility assesses whether an organisation has the adequate resources and competences to implement a chosen strategy. It is argued that these dimensions should also be considered when companies are assessing CRM strategies and even tactics. Ultimately indeed, as is succinctly emphasised by Johnson and Scholes, it is these very core competences that will dictate whether a company is able to meet or even exceed the critical success factors of its targeted customer segments.

Several other routes have been suggested with regard to the achievement of competitive advantage. For instance, while Day and Wensley (1998) argue that the establishment of a generic strategy based on positional advantage in the marketplace will provide a firm with the potential to achieve a superior performance, Bharadwaj et al. (1993) instead argue that it is through the particular resources and capabilities, which a firm possesses but which are not available to its competitors, that a company can transform its available skills and resources into strategic advantages. Moreover according to Bharadwaj et al. these advantageous transformations can however quintessentially only take place under conditions that provide benefits for customers. Simply put, Bharadwaj et al. advocate that unless customer benefits can be reaped, strategic competitive advantage would be of little consequence.

The embracing of CRM within the Hotel Industry

Within the London hotel industry, hotel companies have increasingly attempted to strategically differentiate themselves through the development of relationships with guests. Accordingly, over the years much effort and investment has been directed by hotel companies into the enhancement of relationships with customers. For instance, in November 2001 the Queen Moat Houses chain started to create a comprehensive email database as part of its strategy to develop customer relationships. Data about prospective as well as existing customers was captured via the company's websites (Key Note, 2002b). During 2003, Corus & Regal Hotels Plc re-assessed their customer contact strategy of tailoring mailings to individual customer groups. Accordingly, their database, which consisted of 68,000 profiles, was divided into categories. These ranged from cold prospects to loyal customers. Different mailings were produced for each different category. This was done in an attempt to improve the return on investment of the direct-mail campaigns. From November 2002, all the bookings made for any of the hotel within the group have been redirected via the central reservations office or to the new marketing database in order for the existing records to be consistently and continuously updated and for the profiles about new customers to be automatically created (Key Note, 2003c). In 2005 the De Vere Group launched a customer relationship programme in a bid to improve loyalty among its guests. The objective of the campaign, contracted to the GB group, a database management company, was to provide insights into the behavioural and spending patterns of the chain's database of both guests and prospective guests enquiring about bookings (Key Note, 2005).

Notwithstanding the importance of nurturing relationships with its existing guests, it should not be ignored that London, as a destination, attracts guests, who could not necessarily be categorised as repeat business or loyal customers. Accordingly, as discussed in Chapters Two and Three, even though CRM is particularly aimed at customer retention, customer acquisition or attraction is also an important part of CRM strategy. In general, hotel companies based in London appear to have understood the dual opportunity afforded by CRM. In April 2001 when Corus and Regal Hotels launched their largest to date below-the-line campaign as part of a strategy to increase the company's share of the short-breaks market, in addition to advertising in national newspapers weekend supplements and monthly magazines, the company also sent 85,000 mail shots to couples aged 35 and over who were either previous regular patrons of the company or were considered to be prospective guests (Key Note, 2001b). In 2003, Hilton launched its own brand credit card, The Hilton Hhonours platinum Credit Card, as a joint venture with HFC Bank. As it doubled as a loyalty card scheme, the credit card was particularly targeted to existing customers. For every purchase cardholders are awarded two points. Three points are awarded when the card is used for purchases within one of the hotels or Living Well health clubs of the chain. Points are redeemable at 2400 participating Hilton hotels worldwide. In addition to the monetary incentives, the members of the reward scheme also benefit from a special reservations service, express check-in and complementary upgrades. However, in an attempt to attract new members, 0% on balance transfers from other cards was offered for the first 2 months after joining

(Key Note, 2003c). The objective of De Vere's initiative in 2005 was to help develop relationships with existing customers as well as to target new customers (Key Note, 2005).

The evolution of the concept of CRM

The business environment has traditionally centred on four main business philosophies, which are also interchangeably referred to as business concepts or business orientations. These are: product orientation, production orientation, selling orientation and marketing orientation. Several academics including Bassington and Pettitt (2003), Kotler et al. (2002) and Lancaster et al. (2002) have discussed how after the industrial revolution, the changing dynamics within companies and prevailing market forces led to the evolution of the four main business orientations traditionally associated with marketing management. Although due to word constraint and to maintain focus on the topic being explored, this evolution could not be discussed in detail in this thesis, this point has been mentioned in order to illustrate how the marketing environment has led to the evolution of marketing theory and practice. It indeed emphasises how marketing as a field has been evolving.

In its dealings with CRM, the hotel industry seems to be faced not only with a concept, which is "still in its infancy" but also with a concept, which appears to be in a "constant state of flux" (Key Note, 2002a:3). The forces within the market environment as well as the internal dynamics of companies have arguably influenced and will continue to influence the evolution of the CRM orientation in the same way as they have influenced the evolution of the four traditional business orientations.

Meanwhile, despite an influx of literature highlighting the changing role and needs of the customer in the increasingly competitive marketplace, an in-depth review of the literature indicates that a clear and systematic approach to CRM is yet to be achieved. Notwithstanding, and in spite of Shaw's (1999:20) sceptical contention that:

> marketers must stop their obsession with loving customers since it has become a distraction from the basics of selling and tracking the origins of sale success,

hotel companies have been directing huge investments into the development of the

CRM systems and processes in their attempts to optimise and benefit from their engagement in CRM.
However, unless CRM is aligned to the expectations and needs of customers, the customer experience will essentially remain the same and CRM programmes and ventures would indeed not only prove to be pointless but even frowned upon or mistrusted. Although a plausible redressing of the disparity between the potential benefits to be reaped by CRM and the actual reality may be found in the emerging shift from Customer Relations Management to Customer Managed Relationships as discussed by Overell (2004:1), it is conversely argued that much more basic steps would afford a more viable and lasting solution to current issues. These can arguably be summed up as acquiring an understanding of customers' and employees' perceptions and attitudes about the concept. It is argued that only then would hotel chains based in London truly be able to align their CRM offerings to what is actually sought by their customers.

The hotel industry is considered to provide an environment, which facilitates the collapse of the theory and practice dichotomy, which seems to surround the concept of CRM. Consequently, the dynamics of CRM, which are true by definition as well as those dynamics, which can only be regarded as part of a synthetic truth, which has been gathered through experience, can indeed be successfully explored and exploited within the London hotel industry.

SYNOPTIC OVERVIEW

Although it is acknowledged that the London hotel sector is much more complex than has been discussed in this chapter, the overview that has been provided is considered pertinent to the topic under investigation in this thesis.

Hotel companies have in evidence had recourse to elements of CRM for a variety of strategies and even tactics. However, there does not seem to be a structure within which the concept is embraced. Yet, the very essence of its customer focused environment can arguably be seen as preliminary indication of how the hotel industry can truly benefit

from a strategic and focused approach to CRM. As identified in this chapter, CRM can indeed be a strategic solution to hotel companies.
It has been argued that the success of a strategy depends not only on the ability of a company to identify and understand what its customers genuinely need and want but also assess its own ability to deliver enhanced value in terms of these specific needs and wants. Suffice to say then that both the strategic options of a company and the achievement of competitive advantage are in fact directly linked to the elements or features, which targeted customers genuinely favour.

It is suggested that hotel companies need not only identify what their target customers genuinely seek, but that they should also ensure that they themselves understand the dynamics of CRM as a concept. Indeed unless the fundamentals of CRM are truly understood, it is argued that hotel chains based in London and in general will not be able to optimally integrate the concept in their strategies and benefit from the opportunities it enables. Accordingly, while Chapter Two attempts to explicate the theoretical grounding of Relationship Marketing, the conceptual antecedent of CRM, Chapter Three offers an in-depth study of the triadic structure, built upon technology, people and processes, through which CRM is suggested to be evolving in contemporary terms.

CHAPTER TWO

INTRODUCTION

Whether as discussed in detail in this chapter, Relationship Marketing is accepted as a paradigm shift, as little more than a fad or as a new-old concept, Relationship Marketing appears to be considered a strong force within the business environment by academics and practitioners alike. The purpose of this chapter is to review Relationship Marketing as a perspective, which could have been brought about by the evolution of the market environment, by the development of marketing thought or indeed by changes in the practice of marketing. This chapter is fundamental to this thesis as it is intended to describe how CRM is not only merely a contemporary tactic but that it is in fact rooted in a conceptual framework.

Chapter Two begins by discussing the emergence of Relationship Marketing as a plausible alternative to Traditional Marketing. As such arguments reviewed revolve around how Relationship Marketing could have arisen or indeed been created due to the inadequacy of such Traditional Marketing models as the Marketing Mix. Thereafter, both the academic arena and the practitioner-based environment are reviewed in view of clarifying the debatable source whereupon Relationship Marketing could have sprung. The two general marketing perspectives, Relationship Marketing and Transactional Marketing, are contrasted against the backdrop of the hotel sector in an attempt to show the pertinence of the transition from Traditional Marketing to Relationship Marketing within the general business environment and the hotel industry. The prevalent definitions of Relationship Marketing are then reviewed and its main characteristics highlighted and discussed in an attempt to unravel its conceptual underpinnings.

In an attempt to offer grounding to the concept of Relationship Marketing, the contents of this chapter are largely founded on theories, concepts and models (Sutton and Shaw, 1995; Weick, 1995). Accordingly, models such as The Virtuous Circle, Total Quality Management and the Ecological Collaborative Value System are discussed. Although the focus of this thesis is intended to remain on CRM, an overview of some of the other components of Relationship Marketing has been included in order to offer a more wholesome portrayal of the concept. Ultimately, this chapter endeavours to not only review the theoretical grounding of Relationship Marketing and CRM, but just as importantly, it leads this thesis onto the platform from which the implementation and practice of CRM is refined in Chapter Three.

THE EMERGENCE OF RELATIONSHIP MARKETING

From Marketing Mix to Relationship Marketing

Since Borden first introduced the concept of the Marketing Mix in 1953 (cf. Van Waterschoot and Van den Bulte, 1992) and McCarthy (1960) later simplified and labelled the mix of the different means of competition as the 4Ps, the Marketing Mix has been treated as the unchallenged basic model of marketing. Indeed, according to Grönroos (1997:322), despite their credibility and relevance to contemporary marketing environment, previous models and approaches have been pushed into such oblivion that they are "hardly remembered, even with a footnote, in most textbooks of today".

Despite Gummesson (1994) shedding light on the fact that the proposed extensions of the 4P's have not all been successfully accepted within the academic and commercial arenas *(see Appendix D)*, Grönroos (1997:322) insists that the Marketing Mix Management paradigm has "dominated marketing thought, research and practice since it was first introduced almost 40 years ago". In fact, in the same article, Grönroos goes one step further and attributes to the model the accolade of being the "indisputable paradigm in academic research" (1997:322). Although it cannot be argued that as a concept the Marketing Mix has had much influence over the marketing arena, the viewpoint advocated by Kent (1986:146) about the validity of the Marketing Mix as being "the holy quadruplet … of the marketing faith" does leave itself open for discord. Indeed, through his referral of the framework as:

> this way of dividing up and referring to the marketing decision variables has become so enshrined in holy scriptures that it is written in tablets of stone,

Kent (1986:146) seems to be led by a blinked vision about the schema of the 4Ps. Additionally he appears to completely ignore the on-going debate about the classification and components of the Marketing Mix (Van Waterschoot and Van den Bulte, 1992) *(see Appendix D)*..

Grönroos' and Kent's apparent reverence for the Marketing Mix coupled with the model's popularity could arguably leave little room for debate. However, concerns regarding the Marketing Mix Management Model are also well documented. In addition to the limitations highlighted by the Swedish School of Thought, which advocates that the Marketing Mix is best suited to mass-oriented markets (Grönroos, 1997) and supplier-oriented organisations (Gummesson, 1994), problematic aspects of the framework appear to be varied and multi-dimensional. Gummesson's critique of the concept could be considered dichotomous (1994, 1999). Criticising the marketing mix for being "being incomplete" (1994:8), Gummesson offers 30Rs, 30 relationships, as an alternative to the 4Ps of traditional marketing *(see Appendix E)*. According to Gummesson, these 30 relationships are fundamental to every business in dealing with internal and external customers. The second point of dissension highlighted by Gummesson centres on the marketing mix "not bearing in mind properly the needs of the customer and disregarding services and industrial marketing" (1994:8). Following Gummesson's line of contention, the Marketing Mix is considered to potentially impartially favour suppliers and organisations. Indeed, the locus of control of the 4Ps distinctly remains with suppliers and organisations and it is thus left to these parties to ensure that the needs and wants of their customers are met. As such, the Marketing Mix does not seem to address the perspective of the customers.

A different tangent for dissension could emerge from the prescriptive unilateral exchange, starting with organisations as the source and ending with the consumers, that appears to be favoured by the Marketing Mix. The locus of control again seems to firmly remain with the supplier and the organisation. Despite the fact that such a unilateral flow also seems to be favoured by such popular strategic models as the Porter's Value Chain *(see Appendix F)*, the Traditional or Classic Communications Model is a poignant reminder of the importance of taking into consideration the feedback, which flows from consumers back to the organisation *(see Appendix G)*. Notwithstanding, this element seems to be largely ignored by the principles of the Marketing Mix, which seem to treat customers as passive agents who not only appear to be placed at the end of a value chain but who also are expected to only react when prompted by suppliers or organisations. Following an alternative line of thought, when reviewing marketing as a "behavioural science that seeks to explain exchange relationships", Hunt (1983:13) advocates that four fundamental sets of factors interrelate to form the Fundamental Explanada of Marketing Science. These are:

(i) The behaviours of buyers directed at consummating exchanges
(ii) The behaviours of sellers directed at consummating exchanges
(iii) The institutional framework directed at consummating and or facilitating exchanges
(iv) The consequences on society of the behaviours of buyers, the behaviours of seller

When these four sets of interrelated factors are taken into consideration, the unilateral view of the exchange process advocated by the Marketing Mix debatably appears to be synonymous to being dysfunctional.

Adopting an entirely different perspective of dissension, Van Waterschoot and Van den Bulte (1992) raise doubts about the validity of the quadriga of product, price, promotion and place of the Marketing Mix. As a result of their assessment of the 4Ps schema, three major flaws are uncovered. Firstly, light is shed on the fact that the properties or characteristics that form the basis for each P have not been clearly identified. For instance, the realm of Place cannot be ascertained. Does Place refer to geographical locations or to the channels of distribution? Secondly, the categories are found not to be mutually exclusive. For instance, sales promotion, a sub-category of Promotion, may overlap into the Price category too as Sales Promotion is indeed all too often equivalent to "price cuts". Thirdly, there appears to be a "catch-all sub-category that is continually growing in importance" (Van Waterschoot and Van den Bulte, 1992:85). Thus, pigeon-holing all the dimensions surrounding marketing under four categories appears to not only be highly subjective but perhaps more importantly, even irrational. In attempts to address the dissension concerning the various Ps, over the years, many extensions of the 4Ps have been proposed *(see Appendix D)*.

Yet another different area of contention has been voiced by academics, who like Ballantyne (1996:4), have questioned the applicability of the Marketing Mix to the increasingly complex, volatile as well as "global, deregulated open markets" within which most organisations are now operating. Globalization has resulted in the flow of goods and services available to consumers becoming increasingly greater. With the ensuing growing massive choice for consumers, competition within the marketplace has been intensifying. Suppliers and organisations have been faced with new sets of competitive forces. Accordingly, as discussed in Chapter Three, customer retention has become even more crucial than it was ever before. Yet, despite the fact that post the industrial era, prevailing developments in technology have been allowing for a more personalised approach to marketing, the Marketing Mix does not seem to make any provision for the long-term perspective, which such strategic approaches call for.

According to Healy et al. (2001:182), in order to address the prolific concerns surrounding the concept of the Marketing Mix Management, "some academics have tended to turn their attention to marketing relationship models". Consequently, models such as Grönroos' Marketing Strategy Continuum *(see Appendix H)* and Egan's Transactional-Relational Continuum *(see Appendix I)* have been offered. Grönroos' Marketing Strategy Continuum suggests that nine factors emphatically affect strategic decision-making (1994a:11). These are: time perspective, dominating marketing function, price elasticity, dominating quality dimension, measurement of customer satisfaction, customer information system, interdependency between marketing, operations and personnel, the role of internal marketing, and the product continuum. In an attempt to reinforce the core differences between the two marketing perspectives, the applicability of these factors as they occur in environments adopting a Transaction Marketing perspective is contrasted against their status within organisations adopting a Relationship Marketing perspective. For instance, with respect to the time perspective, a short-term focus is identified as being applicable for Transaction Marketing as opposed to a long-term focus for Relationship Marketing. Although the clarity of this comparative model cannot be refuted, Grönroos' Marketing Strategy Continuum tends to suggest an either or scenario. Thus, this model could arguably be deemed to misleadingly suggest that companies have to choose between adopting two distinct sets of criteria in order to follow the Transaction Marketing or the Relationship Marketing perspective. Egan's Transactional-Relational Continuum counter-addresses this assumption and reviews how companies can choose among drivers pertinent to the Transaction Marketing perspective and those more pertinent to a Relationship Marketing perspective in order to address their specific needs and objectives. Indeed, as Egan summarises (2001:377):

> each company's individually tailored perspective is dependent on the balance between the various transactional or relational drivers

Although models such as Grönroos's Marketing Strategy Continuum are beneficial in clarifying the main differences between Traditional Marketing and Relationship Marketing, others such as Egan's Transactional-Relational Continuum shed better light on the fact that Relationship Marketing is not an absolute science.

A well-founded academic creation

Criticising the traditional definition and scope of Marketing as being outdated, a number of European academics, including Grönroos (1994a) and Gummesson (1997), have proposed an alternative perspective of Marketing: Relationship Marketing. The emergence of Relationship Marketing has attracted much interest and been prone to differing perspectives. For instance, although arguably questionable in terms of complexity, Brodie et al. (1997) contend that Relationship Marketing has emerged from six streams of research.

The first stream examines marketing from a service context. Theorists, including Grönroos (1994a, 1994b) and Berry (1995), discredit traditional marketing' s offering of the Marketing Mix Management Model and its 4Ps with regards to the marketing of services. Despite the fact that over time extra Ps have been proposed as attempts to re-align the dimensions of the Marketing Mix to reflect those underlying Services Marketing *(see Appendix D)*, Simkin (2000) maintains that the application of traditional marketing management within the service sector is hindered by a wide range of inherent factors. According to Simkin (2000:154), "the intangibility of the service product" restricts "opportunities for creating a differential advantage over competitors". Consequently, companies become dependent on differentiation and competitive edge with regard to their "branding initiatives and personnel".

Although they may relate to differing focal points, several other academics also support the idea that the relationship approach has originated from the services sector. While O'Malley and Tynan (2000:797) focus on the inappropriateness of the traditional marketing perspective when they advocate that "Relationship Marketing was conceived as an approach to industrial and service marketing", Goldsmith (1999:178-179) appears to converge more on the evolution of the marketing environment when he posits:

> the well-documented and gradual evolution of many advanced economies away from manufacturing and towards services has entailed new ways of thinking about marketing.

Relationship Marketing was initially considered inappropriate in other marketing contexts. However, both Grönroos (1994a) and O'Malley and Tynan (2000) address how over time, the relational perspective offered by Relationship Marketing has been extended to mass consumer markets too. Following this line of thought, it would indeed be pertinent to agree with Grönroos (1994b:5) that:

> today, service management is more a perspective than one discipline or one coherent area of its own.

The second stream of research focuses on inter-organisational exchange relationships. According to, Brodie et al. (1997:384), this stream of research:

> encompasses both the examination of buyer-seller relationships in the context of resource dependency theory as well as the study of constructs underlying inter-organisational relationships, in the context of social exchange theory.

While the first section of their definition, "the examination of buyer-seller relationships", arguably refers to the development and management of relationships between an organisation and its external customers, it is anticipated that the second section revolves around Internal Relationship Marketing. It is suggested that the latter stream of research consolidates research within the fields of human resources management and organisational structures.

Despite the fact that Payne (2000:57) advocates that:

> research in internal marketing has a longer history than some other areas within

Relationship Marketing,
Berry (1981) is probably one of the earliest known academics to argue for the consideration of employees as internal customers. Although much merit is attributed to such a germane outlook, Rafiq and Ahmed (1993:230) argue that this early formulation of the internal customer is "seriously flawed" due to the fact that it makes no provision for the critical links that connect the relationships between an organisation and its internal customers to the creation of value for its external customers and external market. Albeit differing in approach, several authors seem to have since addressed this omission. For instance, Sanes (1996) not only explores the role of employees in providing customer satisfaction and achieving service differentiation, but also reviews ways in which employees can be supported and motivated by management in the process. Focusing on the potential impact that employees can have on business, Rogers et al. (1994:14) argue how:

> it is imperative that management understand the specific dimensions that help shape employees' attitudes towards their jobs.

Accordingly, in an article study focusing on customer service personnel, Rogers et al. test the dimensions, which they claim determine employee satisfaction, which will in turn lead to customer satisfaction *(see Appendix J)*.

Notwithstanding the relevance of considering dimensions, which may create employee satisfaction, and ultimately customer satisfaction, Reichheld et al. (1996, 2000) arguably offer a more unified perspective on the connection between employee satisfaction and customer satisfaction through their offering of the Virtuous Circle *(see Appendix K)*. Despite appearing almost simplistic in structure, the Virtuous Circle displays how by relying on the natural pre-disposition of employees to offer good service, organisations can enhance their profitability through a logical process. Such a line of thought could arguably be considered to build upon McGregor's Theory Y, which contends that "most people are professionals who wish to do and be seen to do a good job" (cf. Whetten et al., 2000:250). Reichheld et al.'s proposal appears to complement Whetten et al.'s (2000:250) standpoint that "when given positive support, most employees would want to do better". The emphasis of Reichheld et al.'s approach lies on mechanisms, such as training programmes, which are necessary to not only motivate employees to achieve as highly as possible but to also enable them to do so. Eight components form the pinnacle of Reichheld et al.'s Virtuous Circle. They are: profitability and growth, internal service quality, employee satisfaction, employee retention, employee productivity, external service quality, customer satisfaction and customer loyalty. According to Reichheld et al., when one of the components such as the internal service quality is invested into and nurtured, a process is set in motion. Thereby, investment in internal service quality will have an impact on employee satisfaction. The latter will in turn have an impact on employee retention and so on and so forth. Consequently, with one initial step, a virtuous circle can be set in motion. The Virtuous Circle not only shows the connectivity of employee satisfaction and employee retention to customer satisfaction and profitability, but as a model it also clearly demonstrates how as discussed in Chapter Three, employee retention is essential for customer satisfaction and long-term profitability; two of the ultimate objectives of all businesses.

Internal marketing tends to imply a connection between an organisation and its employees. However, internal marketing is not only based on the notion of vertical exchange processes between an employer and an employee but also horizontally between different teams or departments within an organisation. Accordingly, it is argued that the focus of Internal Relationship Marketing is to facilitate exchange processes so that on one level the needs of employees are met as effectively and efficiently as possible while on the other level, long-term relationships are achieved by an organisation via employee retention. According to Ballantyne (2003:1242), through structural relationships internal marketing can create value for not only an organisation, but also for its customers and its employees. Indeed as Sanes (1996:20) succinctly points out:

> the relationship between customer satisfaction and employee satisfaction is important to all companies and it is especially important for those which have made the decision to differentiate themselves from the competition by providing exceptional customer service.

The crucial role of internal marketing within the realm of Customer Relationship Marketing as well as within the hotel industry appears unquestionable. Accordingly, this is discussed in depth in Chapter Three.

The third stream underlies the new paradigm offered by Relationship Marketing by basing itself on "channels literature" (Brodie et al., 1997:384). Although Brodie et al. report that early interest tend to have focused on vertical marketing systems, in an article study Weitz and Jap (1995) review how current channels have shifted towards the examination of control mechanisms to the development of effective and efficient channel relationships. By relating to distribution, this stream of research arguably tends to relate more to the business-to-business environment. Notwithstanding, as Ojasalo (2001:199) succinctly sums up:

> although paying customers in the business-to-business market are organisations, they are always represented by individuals.

Thus, the management of such relationships requires "appropriate handling at both the organisational and individual levels" (Ojasalo, 2001:199). Within marketing literature, organisational behaviour and industrial marketing models have been distinguished between individual and company levels (Sheth, 1973; Choffray and Lilien, 1978). These differentiated levels have then been used to describe prescriptive phenomena in customer relationships. For instance, while Ojasalo (2001:200) argue that trust and commitment "can differ at the individual and company levels", McDonald et al. (1997:737) discuss how key account management is increasingly being used to tailor to the needs of companies in business to business exchanges. Indeed, organisations are expected to continuously develop operational-level capabilities in order to enhance their relationships with their business-to-business customers and enhance the effectiveness and efficiency of the channels.

The fourth stream of research examines network relationships. According to Brodie et al. (1997:384),

> in this tradition, the emphasis is on industrial markets and the sets of relationships that connect multiple organisations.

Within the hotel industry, unless they are involved in a supply chain as a buyer and seller, as for instance are a hotel and a corporate client, relationships between hotel companies operating in the same market environment have been rooted in competition. However, interest in the networks afforded by the business arena and the importance of the former in terms of how business can be carried out has been receiving increasing coverage (Turnbull et al., 1996). In contemporary terms, the general consensus is that through interactions with other firms, a firm can develop and expand its own business. This viewpoint is further dissected by Bengstsson and Kock (1999:178) when they advocate that:

> apart from relationships consisting of competition or co-operation, a firm can live in symbiosis by coexisting with other relationships, or being involved in a relationship simultaneously containing elements of both co-operation and competition.

Following a similar line of thought, Zineldin (1998:1138) demonstrates how by utilising a relationship perspective whereby customers, suppliers, distributors, competitors, and other organisations are equal partners, an organisation can benefit from the "co-opetive" approach whereby co-operation and competition are intertwined. This intertwining, according to Zineldin, creates a subsequent "ecological collaborative value system" (CVS). Although the continuum of equal partners may appear idealistic, the concept of partnering may be deemed to complement the principles of network theory as well as build upon the realm of strategic alliances. Additionally, such a standpoint highlights how imperative it is for collaborators to communicate and co-operate in an atmosphere of frank debate, trust, interdependence, and mutual positive expectation so that the benefits and interests may be enjoyed by all the parties involved. Only then, it is argued will a successful alliance and relationship be created. Indeed, as Zineldin (1998:1139) summarises, "the importance of creating, enhancing, and sustaining strategic collaborative relationships between collaborators" cannot be undervalued. As discussed in depth later in this chapter, the Industrial Marketing and Purchasing Group, commonly referred to as the IMP group, also strongly supports this standpoint. Meanwhile, although Holmlund and Strandvik (1999:686) argue that:

> in studies on industrial relationships and networks within the interaction approach, a great deal of interest has been directed towards activities and resources,

they however also advocate that:

> equal attention has not been given to perception , i.e. the thinking concepts and structures behind activities and resource allocations.

Such a criticism arguably highlights that much refinement is still to be undergone within this stream of research.

The fifth stream stems from strategic management literature. According to Brodie et al. (1997:384), this stream "draws on recent conceptualisations about the role of relationships in value chains" (Normann and Ramirez, 1993). Although the traditional value chain, as reflected by Porter's Value Chain *(see Appendix F)*, has generally been accepted as starting with an organisation's core competencies, Walters and Lancaster (1999a:643) dispute this perspective and advocate that:

> evidence suggests that modern value chain analysis reverses this approach and uses customers as its starting point.

It is expected that changes in marketing thought and practice have led to the direction of the traditional value chain being reversed. Justifiably, it is increasingly being recognised that it is only by being truly customer-centric that organisations can begin to build upon and benefit from the relationships afforded by their respective value chains. Following this viewpoint, it becomes recommendable for organisations to place customers at the starting point of their value chains. Meanwhile, although the role of the value chain is generally agreed upon, conflict still appears to prevail in relation to its incorporation within strategic operations. Consequently, while Gummesson (2002:585) advocates that:

> new marketing theory should focus on the value of the total offering: a balance between production-centric and customer-centric aspects; and should recognise relationships, networks and interaction as core variables,

offering an almost opposite viewpoint, McGuffog (1997:124) argues that:

> the essence of value chain management is the improvement of total performance of the entire chain through an examination of each link and process in a systematic, standard way to see how overall speed, certainty and cost-effectiveness can best be enhanced.

Indeed, although it cannot be argued that the ultimate aim of value chain management is to reduce sources of uncertainty through "the active co-operation of the key players in each value chain" (McGuffog, 1999:222), as discussed in Chapter Three, a clear process is still to be defined.

The sixth and final emerging stream of research draws on literature revolving around information technology and examines the strategic impact that the latter has on the relationships within organisations as well as on relationships between organisations Brodie et al. (1997). In spite of Simeon (1999:297) advocating that:

> ideas and technologies are interacting at such rapid pace that the virtual universe of information and services appear at times to be expanding out of control,

as discussed in Chapter Three, the general consensus tends to be that progress in technology and streaming of communication channels now increasingly allow for swifter information exchange and more consistent communications. Accordingly, several academics have testified to the growing important role that information plays in today's competitive environment. While Rich (2000) refers to shared information as one of the key tenets of relationship marketing, Feiertag (1997:18) argues that "the practice of relationship marketing is centred on nothing more than good communications". Meanwhile, given the plethora of information now available, many academics have emphasised how primordial it has become for organisations to ensure that all the information emerging from them are kept controlled and to a manageable proportion. In fact, Long et al. (1999:5) goes one step further when they argue that:

> the successful translation of the Relationship Marketing paradigm from organisational to consumer service markets depends partly on the management of information.

Building upon Van Niekerk et al. (1999:116) emphasis that "focus should be on quality and not quantity", Walters and Lancaster (1999b:813) advocate that:

> it is only by pursuing a logical approach to the integration of information management into the strategy process that firms can become effective, world-class competitors.

However, the ultimate warning may arguably have been summed up by Reichheld and Schefter (2000:109) when they highlight how "with the freedom to do more comes the temptation to do too much". Therein may arguably lay the difference between wasted resources and achieving competitive advantage.

In an effort to further clarify and reconcile the six emerging streams of marketing research and practice, Brodie et al (1997) additionally refer to Coviello et al.'s (1996) proposal of a classification scheme based on a synthesis of both European and North American Schools of Thought in marketing. According to Coviello et al., marketing should be extended to encompass the sub-components of the service stream of research, the interaction stream of research, the channels stream of research and the network stream of research. From this synthesis, they argue two distinct yet general marketing perspectives would be uncovered. These are: Transaction Marketing and Relationship Marketing. The latter according to Coviello et al. can be further sub-divided to incorporate three distinct types of marketing: database marketing, interaction marketing and network marketing.

Relationship Marketing: The Operational Emanation

In contemporary terms, it could be argued that not only does academic literature revolving around Relationship Marketing seem to abound, but perhaps more importantly as discussed in various sections in this chapter, there seems to have been a trend to conceptualise the parameters of Relationship Marketing. However, in spite of Brodie et al.'s contention (1997), rather than be led by the academic arena, it is indeed plausible that Relationship Marketing may have in fact emerged within the business environment.

The most favourable advocacy for the perspective that Relationship Marketing has emerged from the marketing environment rather than from the academic arena is arguably offered by Gummesson (1997:269), when he advocates that:

> the real world of business and marketing has deployed an RM approach (although it has not been labelled as such) while the academic research, to some extent, and education, to a large extent, have become stuck in a narrow and mechanical approach to marketing management paradigm.

Notwithstanding the plausibility of this contention, Gummesson's review nonetheless leaves itself open to debate as the contribution and influence of academia can indeed not be ignored.

Notwithstanding the influence of the academic arena, it is argued that environmental conditions of the post-industrial era may indeed have led to some fundamental changes within the marketing field. A prevailing situation prior to the industrial was businesses tended to remain relatively small due largely to production limitations (Lancaster and Reynolds, 1995; Kotler et al.,2002). Subsequently, close business relationships arguably prevailed. Several academics including Lancaster and Reynolds (1995), Kotler et al. (2002) and Bassington and Pettitt (2003) discuss how one of the major effects of the industrial revolution was the creation of mass markets in the 1950s and 1960s. Although the resulting opportunism took businesses to new levels of growth, the distribution activities engendered by mass production arguably resulted in a reduction if not complete loss of direct interaction and bonding between firms and their customers. Over the past two decades, there has been a trend created by customers moving away from mass consumption and its anonymity (Solomon et al, 2002). In turn, businesses have understood that in order to create the loyalty of their customers and enhance their competitive advantage, they need to nurture closer relationships with their customers. Following this line of thought, it would indeed seem pertinent to argue that the emergence of Relationship Marketing may in fact be attributed to the reclaiming of what had been lost in terms of direct interaction and bonding between firms and their customers in the market environment. Despite the realism behind such a viewpoint, it is nevertheless implausible that marketing practice would have evolved entirely separately from marketing thought. Hence, a more pragmatic option may indeed lie in the combined influences of practice and academia on Marketing Management.

From Transaction Marketing to Relationship Marketing

The ongoing use of terms such as "the new paradigm"(Grönroos, 1996a:12) and "paradigm shift" (Gummesson, 1997:27) implies that many academics including Morgan and Hunt (1994) and Aigo (1996) perceive that not only has the practice of Traditional Marketing changed but that the latter has even been subsumed by the alternative perspective offered by Relationship Marketing. Yet, despite the fact that Mattsson (1997) advocates that "the marketing mix" or transactional model of marketing is dying, one cannot refute Gummesson's (1997:269) argument that the theoretical perspectives within traditional marketing, such as the Marketing Mix Management model, do hold much credit "for the specific issues to which they are pertinent". Yet, it also cannot be refuted that the traditional approach to marketing neither facilitates the understanding of customer relationships, nor provides any tool necessary for the development and management of such relationships. Additionally, in shedding light on the fact that "they have claimed to be general and complete", Gummesson (1997:269) emphasises how theories prevalent in Traditional Marketing have contributed to mould an "unreal reality" as they indeed have not embraced all the changes which the evolving and increasingly competitive marketing environment have been calling for. This lack of symbiosis has lead to a call for new concepts and models of management. According to Egan (2001), this call for new ideas has been answered most obviously by the recent and rapid emergence of Relationship

Marketing. Indeed, instead of focusing on the criteria favoured by the Traditional Marketing approach, as discussed in Chapter Three, Relationship Marketing instead centres around dimensions, tools and techniques, which can implicitly help create and nurture relationships.

In an attempt to depict the transition in perspective, which marketing has endured since the evolution of the four business philosophies, academic literature invariably tends to point to the distinctions between Transaction Marketing, interchangeably referred to as Transactional or Traditional Marketing, and Relationship Marketing. Christopher et al. (1991) appear to offer the most forthright overview of the distinctions between these two general marketing perspectives when they contrast Transaction Marketing against Relationship Marketing with respect to seven clearly defined dimensions *(see Appendix L)*. Through building their comparative study on seven clearly defined criteria, namely strategic focus, organisational orientation, time-scale, customer service, customer commitment, customer contact and quality, Christopher et al. arguably cover the entire realm of the marketing environment. Although, their spectrum of comparison takes into consideration both the customer and the organisation, the nine focal criteria of the Marketing Strategy Continuum proposed by Grönroos's (1994a:11) are considered to offer an even more comprehensive depiction of the elements of contrast between the two marketing perspectives *(see Appendix H)*. In addition to the dimensions of time and quality referred to in Christopher et al.'s comparison, Grönroos's (1994a) comparative review includes the dominating marketing function, price elasticity, measurement of customer satisfaction, customer information system, interdependency between marketing, operations and personnel, the role of internal marketing and the product continuum. Consequently it is argued that within this framework of the Marketing Strategy Continuum, not only are the fundamentals of Traditional Marketing incorporated, but so are those of database marketing, interaction marketing and network marketing, pivotal axes of Relationship Marketing. Accordingly, it may even been deemed appropriate to suggest that that this model is complemented by the research of academics such as Coviello et al.'s (1996) and Brodie et al (1997) in defining the distinctive parameters of the Relationship Marketing.

Albeit different in terms of scope, both Christopher et al.'s (1991) and Grönroos' (1994a) comparative studies of Traditional Marketing versus Relationship Marketing may be summed up by Martin's (1998:6) argument that:

> the focus of marketing efforts are (and should be) shifting from marketing mix manipulation for the purpose of immediate exchange transactions to those that focus on longer-term exchange relationships.

The time perspective could arguably be considered to be the most blatant as well as the more important difference between Transaction Marketing and Relationship Marketing. Additionally, it could even be argued that the respective time frame forms the basis for all the other differential criteria identified by Christopher et al. (1991) and by Grönroos's (1994a). Scott (1995:18) appears to support such a line of thought when he advocates that:

> Relationship marketing moves the dyadic exchange associated with personal selling from a short-term transaction orientation to a lifelong process where immediate closings must be postponed on the basis of more effectively meeting customer needs.

However, as discussed in Chapter Three, he additionally emphasises how the new marketing perspective of Relationship Marketing is equivalent to a process rather than a mere function.

THE PREVAILING SIGNIFICANCE OF RELATIONSHIP MARKETING: PARADIGM SHIFT OR SIMPLY TIMELY ALTERATION

In contemporary terms, although it cannot be refuted that Relationship Marketing has entered both academic and corporate literature as "a leading new approach to marketing" (Grönroos, 1997:322), the extent to which it challenges traditional marketing thinking and marketing management is still questionable. In fact, the significance of Relationship Marketing has been under debate and is anticipated to remain so for some time to come. Accordingly, advocates of the merits and demerits of Relationship Marketing have with varying conviction referred to the concept as: "a buzzword" (Coviello et al., 1997:502; Zineldin, 2000:10), "a paradigm shift" (Gummesson, 1994:18; Grönroos, 1994:4), "not a complete paradigm shift" (Zineldin, 2000:9) and "a new-old concept" (Ballantyne, 1996:4). What then is Relationship Marketing exactly?

Little more than a popularised buzzword

The past two decades have seen a massive growth in the popularity of the concept of "Relationship Marketing". During the 1990s, in particular, an exponential growth is witnessed in the number of academic papers and practitioner-based coverage dedicated to the topic. However, albeit arguably dated, Mattson (1997) poignantly highlights how in spite of what could only be defined as an explosion in interest, very little has been conducted with respect to the observation of relationships over time. Yet, this would not only have given grounding to Relationship Marketing as a theory but perhaps more importantly clarified the real as well as the manifested parameters of this approach to marketing management. Moreover, possibly more significantly, even Gummesson (1997:267), one of the most fervent advocates of the concept, agrees that:

> much as what is currently written about Relationship Marketing is theoryless, a stack of fragmented philosophies, observations and claims which do not converge in the direction of an emerging Relationship Marketing theory.

Yet, practitioners seem to have embraced the concept to such an extent that, one could easily be tempted to believe that Relationship Marketing has become the focal point of strategy at not only the operational level but also at the business and corporate level too.

Although as highlighted in Chapter One and Chapter Three, the concept is practised within hotel chains, upon closer inspection of the levels of Relationship Marketing identified by Palmer (1996), it becomes evident how varied the embracing of the concept can be. Palmer (1996) identifies three levels at which a company may engage in Relationship Marketing. These are: the tactical level, the strategic level and the philosophical level. At the tactical level, Relationship Marketing is used as a tool for sales promotion. As is usually the case, these tactics can not only be easily copied, but they are also not considered to enhance long-term competitive edge. At the strategic level, a company and its customers are tied in what may be referred to as bonds. These can be legal, economical, technological, and geographical or even be a mixture of these. In this scenario, through either lack of power or knowledge, the customer is kept in a relationship with the supplier. The philosophical level is the ultimate level of Relationship Marketing and incorporates the fundamental underpinnings of the concept.

Accordingly, focus is on customer needs and organisations operate from a genuine customer orientation perspective. A philosophical commitment to Relationship Marketing would lead organisations away from products, services and product life cycles and instead gear them to focus on the life cycle of customer relationships. Additionally, a philosophical dedication to Relationship Marketing also implies that both internal customers, namely the employees, and external customers are crucial players in profitably meeting the lifetime needs of target customers better than the organisation's competitors. With this approach to Relationship Marketing, organisations do not attempt to lock customers in relationships but to gain their affective commitment by giving the same in return. It is thus argued that in order for companies to engage in Relationship at its optimum and most effective level, namely the philosophical level, genuine customer orientation and the facilitation of partnering are essential. Indeed, there is a big difference between Relation Marketing and mere customer retention.

Notwithstanding, within the hotel industry, companies engaging in Relationship Marketing tend to concentrate their efforts at the tactical level. This is exemplified by the variety of loyalty schemes offered by hotel chains to their corporate clients (Key Note, 2001b, 2002b, 2003c, 2005a, 2006). Although, the ultimate aims of such schemes are apparently to create loyalty towards the respective hotel companies and to strengthen business-to-business relationships, it is nonetheless all too often clear that the loyalty is instead created towards the incentive. The guest arguably tends to be more interested in the best possible rate or benefit rather than in the individual hotel companies. Still, within the market environment, there has been a notable increase of software packages and technologies for tracking customers, profiling them, and contacting them (Key Note, 2002a, 2003a). This is expected to continue to grow. Meanwhile, support for the concept of Relationship Marketing also abounds within the literary arena and there seems to be an influx of advice. However, the software packages and advice on offer tend to revolve around the basic principles of direct marketing and the adequate usage of databases and interaction. Although as discussed in Chapter Three, databases and interaction are the primordial tools of direct marketing in the quest for precise targeting and as such can be an integral part of the business functions to enhance communications with customers, they are nonetheless not equivalent to Relationship Marketing. Indeed, in view of the above observations, it could be argued that little new seems to be proposed.

A paradigm shift

Following an opposite continuum, several academics advocate that the concept of Relationship Marketing reflects a "paradigm shift" in both marketing thought and practice (Grönroos, 1994a:4; Gummesson, 1994:18; 1997:271). The magnitude of this standpoint is arguably best defined when Gummesson (1999) explicates that a paradigm shift means that a new foundation is given to a discipline. Accordingly, new values, new assumptions and even new methods are created for or given to that discipline. Consequently, what used to be accepted and established as part of the old discipline must be put to one side. Such a consideration arguably implies that established conceptual structures and assumptions of Traditional Marketing have been cast aside in favour of the new values and assumptions proposed by Relationship Marketing. The adoption of such a viewpoint arguably leads to Relationship Marketing being regarded as a dichotomy. While on one hand, it is agreed that Relationship Marketing offers marketing management "a new foundation for thinking" (Gummesson, 1997:271), on the other hand, it is suggested that Relationship Marketing be regarded as the plausible solution to the limitations of Traditional Marketing, which are discussed earlier in this chapter.

Support for the consideration of Relationship Marketing as a new basis for thinking is well documented, but varied. While Relationship Marketing is hailed by such academics as Reichheld (1996) as representing a basic shift in business thinking, others such as Sheth and Parvatiyar (1995) pointedly specify how much of current literature have referred to the concept as being an entirely new phenomenon, in particular in within consumer markets. Indeed, although several academics, including Grönroos (1994b) and Berry (1995) have reviewed how Relationship Marketing has brought forth a fundamentally new perspective on the marketing of services specifically. According to

Sheth and Parvatiyar (2000), the knock-on effect has been felt on the marketing of products too. Indeed, as is emphasised by Goldsmith (1999:179):

> the services marketing emphasis on customer satisfaction and long-term relationships with customers have influenced goods marketers to think differently.

Despite the fact that it cannot be refuted that contextual and structural differences between the marketing of services and the mass marketing of products may have influenced the emergence of Relationship Marketing (O'Malley and Tynan, 2000), in contemporary terms Relationship Marketing appears to have been offered as an alternative to the traditional marketing of both services and products. Through its difference in perspective from Transactional Marketing, as discussed earlier Relationship Marketing puts emphasis on important areas that are missing, or are given only scant attention in traditional marketing theory. Subsequently, as is summarised by Gummesson (1994:18):

> Relationship Marketing suggest a different focus and different underpinning values for marketing that… justify calling Relationship Marketing a new paradigm and the beginning of a new marketing-oriented management theory.

Although a fervent supporter of Relationship Marketing as a paradigm shift, which has changed the fundamentals of marketing, Gummesson (1997:271) nonetheless also sheds light on intractable characteristics of paradigm shifts. By highlighting how although "existing knowledge can be incorporated in a new paradigm", it nevertheless "cannot provide its foundation", he undoubtedly contributes in bringing forth a new set of arguments, which shed much doubt about the paradigm status of Relationship Marketing.

Relationship Marketing as a new-old concept

Dissenting voices about the paradigm status of Relationship Marketing abound. While such academics as Zineldin (2000:9) agree that the emergence of Relationship Marketing has lead to some changes to the fundamentals of marketing management, they nonetheless maintain that "Relationship Marketing is not a complete paradigm shift". The middle-ground characteristic of Relationship Marketing is re-iterated by a wide range of academics although they do not appear to agree upon any specificity. While, Palmer (1996:22) focuses on how Relationship Marketing is not "a new concept", Worthington and Horne's viewpoint (1998:39) instead revolves around how:

> Relationship Marketing has been described as a new-old concept, in that it is a new term but an old phenomenon.

Furthermore, as is succinctly pointed out by Ballantyne (1996:3), claiming that Relationship Marketing is "entirely new", would indeed create the risk of appearing to ignore the early work of many academics and practitioners. Surprisingly, Gummesson (1997:271), arguably one of the most earnest advocates of Relationship Marketing, seems to support Ballantyne's viewpoint when he contends that:

> the claim of paradigm shift is controversial … it rejects the requisite that new marketing thinking should build on existing knowledge and that knowledge development is just a matter of accumulation.

In an effort to give grounding to his standpoint, Gummesson (1997) explicates that Relationship Marketing is in fact a gradual extension of the amalgamation of the work of the Nordic School approach to services marketing and management, and the network approach to industrial marketing as developed by the IMP Group, the Industrial Marketing and Purchasing Group.

In the early 1970s, the marketing of services started to emerge as a separate specialised area of marketing with its own sets of concepts and models. These new styles of marketing were geared to the inherent characteristics of services. Accordingly, the structural and contextual differences between the marketing services and products were specifically taken into consideration. In Scandinavia and Finland, the Nordic School of Services, more than any other research consortia or individual researcher anywhere else in the world, studied the marketing of services. Their perspective additionally rested on the fundamental notion that marketing decisions cannot be separated from overall management and the management of other business functions (Sheth and Parvatiyar, 2000).

Formed in the mid-1970s, the Industrial Marketing and Purchasing Group, the IMP group, developed a dynamic model of buyer-supplier relationships in industrial markets (the interaction model). They illustrated its applicability through comparative studies of buyer-supplier relationships within and across a number of European countries including France, Germany, Italy, Sweden and UK. The main conclusion of these pan-European studies was that buying and selling in industrial markets could not be understood through only a series of disembodied and serially independent transactions. The studies highlighted how transactions between buyers and sellers should only be examined as episodes in often long-standing and complex relationships. Although these relationships appeared to be fairly stable when studied over long periods of time, upon closer inspection they revealed themselves to instead be much more dynamic than initially thought. As identified earlier in this chapter, the interaction model created by the IMP Group has over the years refined itself into the network approach. In contemporary terms there are four conceptual cornerstones of the IMP (Sheth and Parvatiyar, 2000). These are based on empirical findings. The first cornerstone revolves around the relationships between buyers and sellers in business markets. These are found to be built from interaction processes during which technical, social and economic issues are handled. According to this line of thought, relationships are not only organised patterns of interaction but they are also interdependent within their own essence. The second cornerstone of the IMP argues that business relationships are connected. Consequently, they form part of a wider economic organisation, which is akin to a network. Accordingly, companies are not only embedded in a range of multidimensional ways into the contexts of other companies operating in their market environment and with which they may compete, but just as importantly these other companies' situations will affect that said company's operations and strategies both directly and indirectly. The third cornerstone advocates that a relationship is a combination, which affects efficiency and which is at the same time inherently exposed to interdependencies. Hence, through relationships, technical, administrative and even temporal connections can be captured in order to achieve economic benefits. The fourth cornerstone views relationships as confrontations. When two parties are connected, confrontation can arise with regards to knowledge. Subsequently, resource development and even innovation can be affected. According to Håkansson and Snehota (2000:82):

> in more general terms, relationships can be means for tying resources to each other in such a way that some of their heterogeneity is utilised.

As such, different dimensions which may not have been fully known by either party can be identified through these interactions and can thereafter be beneficially utilised. Following an alternative perspective, the conflict about the status of Relationship Marketing may have arisen from its primordial dimension: customer focus. Indeed, the customer-centric dimension at the core of Relationship Marketing, as a perspective, also features as the basic criterion for Marketing Orientation, one of the four business philosophies of Traditional Marketing. According to Kotler et al. (2002:15), "under the Marketing Concept, customer focus and value are the paths to sales and profits". Consequently, companies adopting the Marketing Orientation are said to focus on the genuine needs and wants of their target audiences. Simply put: Marketing Orientation prescribes that the customer is of most importance. Additionally, not only does the Marketing Orientation emphasise that the customer is key to business growth and survival, but more importantly a business adopting this orientation is said to seek to provide the goods and services that its customers want to buy. In fact according to Grönroos (1989:52), the ultimate aim of any company adopting Marketing Orientation is to "base all its activities on the needs and wants of customers in selected target markets". As such, the identification of the genuine needs and wants of the customers is undoubtedly essential to the achievement of these goals. As a philosophical perspective, Relationship Marketing seems to mimic many of the pre-requisites for Marketing Orientation. Consequently, Relationship Marketing could arguably simply be seen as an incremental supplement, if not a refinement, of the Marketing Orientation of Traditional Marketing as opposed to offering genuinely novel insights to the fundamentals of marketing.

Notwithstanding all the above areas of contention, in contemporary terms, Relationship Marketing can still be regarded as a revolutionary approach to marketing. Target audiences are no longer expected to be passive entities nor are they regarded as being entirely predictable despite the fact that the dynamics learnt of direct marketing seem to point practitioners towards inferences (McDonald, 1998; Taap, 2001; Solomon et al., 2002). Indeed, as succinctly summarised by Gummesson (1997:269), Relationship Marketing "may be new in books, but is ancient in practice".

As an evolving, if not altogether new alternative approach to marketing, not only has the extent to which its associated theories has emerged been questioned (Zineldin, 2000), sometimes even by its most fervent advocates (Gummesson, 1987; Grönroos, 1997) but so has the very identity of Relationship Marketing. In fact, as succinctly argued by Gummesson (1994:7), it would seem that Relationship Marketing "is currently seeking its identity". Indeed, whatever real significance it may hold in terms of phenomenon or paradigm shift, the dimensions of Relationship Marketing seem to remain persistently blurred in contemporary terms. There is much lingering confusion about what exactly Relationship Marketing is and what it is not. Accordingly, it is suggested that in order to truly appreciate the real significance of the concept, an exploration of the defining characteristics of Relationship Marketing is necessary.

RELATIONSHIP MARKETING DEFINED

The General Outlook

Relationship Marketing has attracted such attention from the academic and professional arena that according to Mattsson (1997), it may be referred to as a major trend in marketing. Indeed, as Healy et al. (2001:182) emphasise:

> the boundaries of Relationship Marketing have been discussed since Relationship Marketing was first investigated in the 1970s.

Even though Relationship Marketing is well documented, the parameters within which this marketing perspective revolves are still obscure. However, as is succinctly pointed out by Egan (2001:375), "devotion" to Relationship Marketing is "growing".

In spite of extensive literature relating to the concept, there seems to be no unanimity as to what it constitutes. Additionally, although many scholars seem to have discussed the theme of Relationship Marketing, its contents remain rather evasive. There still seems to be much confusion about what exactly Relationship Marketing is and what it is not. This viewpoint is supported by Pressey and Mathews (2000) when they reflect upon how although many academics have championed the existence and development of Relationship Marketing as a marketing perspective, there nonetheless appears to be little consensus concerning the exact nature of the discipline. This lack of consensus is clearly depicted when as a by-product of a literature review, Harker (1999) uncovers 28 definitions by a pantheon of authors *(see Appendix M)*.

Although Gummesson (1997:270) advocates that "every definition says something but it does not tell the whole story", he however argues that (1997:270):

> operational definitions can hardly ever be claimed to represent a phenomenon in an objective and general way.

With regards to Harker's (1999) study, in spite of the wide range of definitions identified, upon closer inspection of the definitions, it becomes clear that a varied level of depth is not only portrayed, but perhaps even more importantly the academics involved tend to focus on a variety of perspectives about what the concept encompasses. Subsequently, the optimum definition of Relationship Marketing remains undoubtedly elusive.

Notwithstanding, rather than be seen as a shortcoming of academic and practitioner's work or even as a pitfall for the study of marketing, it is argued that this lack of clarify about Relationship Marketing and its definitions could instead be built upon. Thus, it is suggested that the non-overlapping definitions be reviewed in order to offer a more profound insight into the phenomenon so that ultimately an ideal may be promoted. Thus, the core variables addressed within the definitions uncovered by Harker (1999) have been selected as key dimensions in the attempt to construct a framework about the real definition of Relationship Marketing. This line of action is suggested on the basis the definitions proposed have emerged from real-life case studies and academic theories reviewed in depth by the relevant academics. Hence, although they may not be faultless, these definitions have arguably to one extent or another contributed to efforts to identify and clarify the concept of Relationship Marketing. Indeed, as the definitions identified by Harker (1999) are categorised *(see Appendix N)*, in spite of occasionally differing perspective about the themes encapsulated by Relationship Marketing, as explicated below, some convergence appears to exist in the themes highlighted by the 28 definitions. Hence, there are indications that some consensus may ultimately be reached.

The customer is king but … a passive agent

The majority of the definitions identified by Harker (1999), 20 of the 28 to be precise *(see Appendix M)*, revolve around customer relationships and customer relations only. Consequently, these academics appear to think that Relationship Marketing centres around customers only and hence, are ignoring the fundamental role, which other players of Relationship Marketing, for instance the employees have in its achievement. Such a standpoint seems to be supported by Berry and Parasuraman (1991, cf. Harker, 1999) when they advocate that Relationship Marketing is concerned with the attraction, development and retention of customer relations. Furthermore, with 8 of these 20 definitions alluding to the locus of control of these relationships residing firmly with the organisation *(see Appendix N)*, the apprehension is that customers are regarded as equivalent to passive agents. This suggestion appears to be upheld by Hammarkvist et al. (1982 in Gummesson, cf. Harker, 1999) when they advocate that all the activities conducted by the company aim to create, maintain and further develop customer relations. Hence, in spite of being advocates of the new perspective of Relationship Marketing, such academics may instead be considered to be led by a more Traditional Marketing frame of mind.

Despite the shortcomings of their apparent view of customers as passive agents, many academics have however successfully addressed the fact that although Customer Acquisition is an integral part of Relationship Marketing, the maintenance and nurturing of customer relationships are also crucial. For instance, both Christopher et al. (1991, cf. Harker, 1999) and Mattson (1997, cf. Harker, 1999) advocate that Relationship marketing is concerned with the dual focus of the acquisition and retention of customers. Such viewpoints by all means support Jackson's (1985, cf. Harker, 1999) conclusive definition that all companies not only want to create relationships with their customers, but that they also want to maintain profitable and long-lasting relationships with the latter.

Correspondingly, due consideration has been given by a wide array of academics to the time perspective, discussed previously in this chapter as not only being the most important attribute of Relationship Marketing, but also arguably forming the basis for all the other differential criteria identified by Christopher et al. (1991) and by Grönroos's (1994a). This prescriptive long-term horizon is indicative in Matthyssens and Van den Bulte's (1994 cf. Harker, 1999) definition that Relationship Marketing by no means focuses on immediate transactions but that this marketing perspective instead centres on the building, support and even extension of relationships with customers. Notwithstanding the pertinence of these stages within Relationship Marketing, this vision of the concept and the consequent role of customers are deemed restrictive. Indeed, in spite of the fact that it is generally acknowledged that Relationship Marketing consists of a series of processes, these standpoints however arguably merely consider customers to be passive agents, which companies can attract, retain and even control into relationships.

The customer: The participant

In direct contrast to customers being regarded as mere passive agents, even more academics have centred their studies of Relationship Marketing on the viewpoint that customers are not only influential but also willing and responsible participants in the Relationship Marketing arena. Supporting this perspective, of the 20 definitions that refer to customer relationships and customer relations, 12 allude to customers as participating parties within the realm of Relationship Marketing. Consequently, as far as these academics are concerned, interaction, one of the pivoting features of the Direct Marketing Mix *(see Appendix O)* and the resulting dyadic exchanges play prominent roles within Relationship Marketing. The Direct Marketing Mix comprises of 4 components: Targeting, Interaction, Control and Continuity. The interaction between customers and an organisation is not only considered a crucial component of Relationship Marketing, but is central to this model.

Notwithstanding the relevance of interaction, a varied portrayal of Relationship Marketing is nonetheless evident within the definitions identified by Harker. While

Bennett's (1996a, cf. Harker, 1999) definition focuses more on the long-term commitment, trust as well as co-operation, which companies should ideally show in their relationships with their customers, Tzokas and Saren (1996 in Daskou, 1997, cf. Harker, 1999) instead relate to the concept of Relationship Marketing as a series of processes, which is expected to include the planning, development and nurturing of relationships with customers in order to enable a dialogue between an organisation and its customers. According to these academics, Relationship Marketing is quintessentially a process rather than just one function.

The long-term perspective prescribed by Relationship Marketing as acknowledged by Bennett as well as Tzokas and Saren is also considered by a consortium of other academics. Accordingly, while Pathmarajah (1991, cf. Harker, 1999) defines the concept as a process during which a seller and a buyer join in a personal and professional relationship, which is intended to be profitable to both parties over time, Hunt (1997, cf. Harker, 1999) refers to Relationship Marketing as being equivalent to a set of processes, which include the understanding, the elucidation as well as the management of a continuous and co-operative relationship between a supplier and its customers.

In addition to incorporating the time perspective in their definition of Relationship Marketing, several academics seem to additionally combine elements more evocative of the field of Direct Marketing. For example, in defining Relationship Marketing as a process, during which a company attempts to create a long-term union with prospects as well as existing customers, Evans and Laskin (1996, cf. Harker, 1999) allude to one of the fundamental models of Direct Marketing, colloquially referred to as the Bull's Eye. The objective of this conceptual model of Direct Marketing is to move customers towards the centre of the Bull's Eye *(see Appendix P)*. This model prescribes that once suspects identify themselves, they become prospects. At this stage, the company will attempt to target these prospective customers to convert them into trial users of the company's products or services. Once an individual becomes a customer, he or she is then precisely targeted to be converted into a loyal customer. Ideally, according to this model, the ultimate aim of the company is to move customers to the status of loyal customers.

Following a different angle of comparison, Bennett's (1996b, cf. Harker, 1999) definition not only alludes to the Direct Marketing Mix with respect to Interaction, but could also be said to specifically incorporate the elements of Control and Targeting. Agreeably, emphasis is laid on the complete integration of information and management systems, support mechanisms as well as strategy and actual mission of an organisation. According to Bennett, only then will the customer be truly delighted. Thereby, profitable and long-term business relationships will be safeguarded. Bennett's (1996b, cf. Harker, 1999) definition not only also brings to light the recognition of Relationship Marketing as a process rather than a mere function, but perhaps more importantly, acts as a strong reminder that behind all the strategic, philosophical and operational aspirations, profitability still remains the ultimate aim of many companies engaging in Relationship Marketing. The pursuit of profitability is re-iterated by Takala and Uusitalo (1996, cf. Harker, 1999) when they refer to how Relationship Marketing can in fact engender the profitable commercialisation of relationships between customers and suppliers. This standpoint is also addressed by Gummesson (1994, cf. Harker, 1999) when he identifies how the concept not only highlights a long-term interactive connection between a customer and a company but also emphasises profitability in the long term.

Despite the fact that in an earlier source Gummesson (1990, cf. Harker, 1999)) emphatically explains how Relationship Marketing should be regarded as a set of long-term processes which include the building, maintenance and even termination of networks and relationships between a company and its customers, the omission of other key players from this equation can be deemed to be profoundly misleading. This restrictive vision of Relationship Marketing also seems to be hailed by Paravatiyar (1996 in Mattsson, 1997, cf. Harker, 1999) when he elucidates Relationship Marketing as a process whereby co-operation with customers is attempted in order to improve the efficiency and the effectiveness of marketing. Arguably, the viewpoint that Relationship Marketing revolves just around customers is questionable.

The holistic all-inclusive approach

Within the realm of Relationship Marketing, the prospect of a stakeholder perspective on Relationship Marketing has had increasingly greater appeal than a concept based purely around customers. In line with this growing support, 11 of the 28 academics identified in Harker's (1999) study have reviewed how businesses that recognise the critical importance of the numerous relationships with stakeholders have a better chance of achieving and sustaining their competitive edge. While the definitions of Buttle (1996, cf. Harker, 1999), Gummesson (1994, cf. Harker, 1999) and Mattsson (1997, cf. Harker, 1999) may be deemed to be too general when they respectively refer to markets that are strategically significant markets, networks and relational exchanges, the definition proposed by Grönroos (1990, cf. Harker, 1999) clearly identifies the fundamental function of the concept when he discusses how the Relationship Marketing connects the realm of marketing to the actual development of long-term relationships between a company, its customers and other parties.

The contention revolving around the basis that commitment to stakeholders is a necessity for companies seeking to engage in Relationship Marketing is reviewed in even more depth by an array of academics. However, varied dimensions are focused upon. For instance, Bennett (1996c, cf. Harker, 1999) draws attention to the dynamics between employee and customer satisfaction when he explicates how Relationship Marketing as a concept encompasses the basic fulfilment of all the promises made by a company in terms of commitment and trust as well as the establishment wherever possible of personal relationships between the customer and the employees, who indeed represent the company. O'Malley et al. (1997, cf. Harker, 1999) instead focus on the process, which Relationship Marketing represents when they discuss how as an approach to business Relationship Marketing entails the identification, clarification, creation as well as maintenance and sometimes even termination or dissolution of relationships in the long-term. According to O'Malley et al., these relationships with key customers will be engendered and nurtured through exchanges whereby the promises from both parties are fulfilled and their respective objectives met. Subsequently, the experience of all the parties is intended to be ultimately enhanced.

Following O'Malley et al.'s heed, several academics including Ballantyne (1997, cf. Harker, 1999) and Hunt (1997, cf. Harker, 1999) have attempted to offer a comprehensive depiction of the various stages which the concept of Relationship Marketing encompasses. Meanwhile, definitions such as the one proposed by Grönroos (1990, cf. Harker, 1999) which contends that relationships are established and maintained through the fulfilment of promises, appear to be little more than just philosophical.

In contrast, although more recent definitions proposed by Grönroos (1994, 1996, cf. Harker, 1999) detract from neither the conceptual objectives of Relationship Marketing nor the crucial role that the other components or players within a company's micro-environment, they nonetheless act as poignant reminders of the real objective of all organisations. Accordingly, these definitions appear to complement Ravald and Grönroos' (1996, cf. Harker, 1999) definition which forthrightly highlights that the real objective of organisations holistically engaging in Relationship Marketing is foremost to be profitable whilst ideally fulfilling the needs of their customers and stakeholders too. Indeed, as summed up by Ravald and Grönroos' (1996, cf. Harker, 1999), the primordial aim of Relationship Marketing is to create customer loyalty in order that stable, consistent and mutually profitable long-term relationships can be created and nurtured with customers.

SYNOPTIC OVERVIEW

Although this thesis intends to focus on the topic of CRM within the hotel industry, this chapter explores the theoretical foundation of the concept of Relationship Marketing within the general business environment. This approach is considered to be an important part of this research study due to the fact that even though the concept has been embraced in the hotel industry, not much research has been conducted on the concept with the hotel sector. It should also be emphasised that Relationship Marketing is considered to be the conceptual antecedent of CRM, as such the latter is rooted in the former.

This chapter denotes how a firm's competence in terms of Relationship Marketing does not only revolve around its customers. It in fact is all about how relationships are developed within and outside the company over time. The focus therefore has to be on how, as discussed in Chapter One, a company develops its core and distinctive competence across multiple levels.

While in practice the locus of control appears to remain with companies, a wide array of academics have built upon the platform that marketing is increasingly being regarded as the management of a series of relationships between organisations, customers and stakeholders. Accordingly, contributions have been made in view of highlighting not only the importance of relationships with customers but also the importance of developing a strong internal marketing function within organisations. Other academics have instead concentrated on comprehensively showing the benefits to be reaped from relationships with other stakeholders. Indeed, many ideologies have been suggested as avenues to adopting a truly holistic approach to Relationship Marketing.

Meanwhile, many attempts have been made by academics to pen the identity of Relationship Marketing. The 28 definitions uncovered by Harker (1999) by no means represent an exhaustive list and it is anticipated that since his literature review, more definitions would have been proposed and disputed. However, it may be plausible to advocate that the more we know about Relationship Marketing, the easier it will be to word the ultimate definition; one that will capture the true essence of the concept. In the meantime, the significance of Relationship Marketing has been under debate and is anticipated to remain so for some time to come as the concept seems to be an evolving phenomenon. Although this chapter has clearly identified that Relationship Marketing does not merely revolve around customers, it is nonetheless maintained that customers lie at the centre of contemporary Relationship Marketing.

It is anticipated that the realm of Relationship Marketing will continue to remain under debate. This is unlikely to be caused by the lack of consensus concerning the definitions, but rather by the resulting controversy, which surrounds the dimensions within the elements, which the concept encompasses. Yet, there remains no doubt that it is these very elements, which ultimately will determine whether Relationship Marketing and more specifically CRM will be successfully embraced or not within the hotel industry.

Despite the fact that this chapter and Chapter One provide evidence that Relationship Marketing did not just happen but that it emerged through academia and practice, it is succinctly reminded by Fournier et al. (1998) that although the concept of Relationship Marketing may be powerful in theory, it however seems to be troubled in practice. Consequently, the dimensions and implementation of CRM within the hotel industry are discussed in depth in the following chapter in an attempt not only to offer an insight into this evolving sub-component of Relationship Marketing, but also to identify and discuss the elements around which the concept revolves in practice. Furthermore, Chapter Three intends to emphasise the relevancy of CRM to the hotel industry and illustrate how hotel chains have already started to embrace it at multiple levels.

CHAPTER THREE

INTRODUCTION

Throughout the past decade, CRM has become such a buzzword that as discussed in the Introduction and in Chapter Two, in contemporary terms the concept is used to reflect a number of differing perspectives. In effect, CRM has been defined as essentially relating to sales, marketing and even services automation. Additionally, CRM is increasingly associated with cost savings and streamline processes as well as with the engendering, nurturing and tracking of relationships with customers.

In line with the wide latitude afforded by its complexity, various themes have been discussed under the title CRM in both trade and academic literature. However, in spite of being extensive, as a whole this coverage still seems to lack coherence. The true dimensions of CRM persistently seem to remain obscure. This chapter seeks to dispel this obscurity and extend the understanding of CRM by characterising the general nature of the concept. Furthermore, by basing itself on an extensive yet broad literature analysis, Chapter Three not only identifies and reviews the prevalent elements associated with CRM, but also attempts to shed light on its pivotal dimensions. Accordingly, this chapter is intended to complement Chapters One and Two in the definition and exploration of CRM within the hotel industry.

As a synthesis, the aim of this chapter is two-fold. On one level, it intends to set a platform for the primary research. Thus, empirical studies within the hotel industry are reviewed in an attempt to align the empirical data collection methods used within this research study with current practices. On another distinct level, this chapter aims to deconstruct the concept of CRM in line with the triad perspective whereby CRM is regarded as a combination of people, processes and technology that seeks to understand a company's customers (Galbreath and Rogers, 1999; Chen and Popovich, 2003). Accordingly, the theoretical and practical components of CRM are deconstructed and reconstructed in terms of the three dimensions of technology, people and processes in the pursuit to clarify the concept of CRM in contemporary terms.

The first section discusses the main technologies that have influenced the evolution and implementation of CRM within the hotel industry. Thus, the role of the internet as an operational channel and facilitator of CRM is discussed in depth. The central role of databases within the context of current CRM practices is then reviewed as the latter indeed appear to revolve around the former. Current and emerging technologies are then discussed due to their significance to the evolution of CRM.

Although technology is by all means considered crucial to the functional implementation of CRM, people arguably lie at the centre of the concept. Indeed, relationships amongst people arguably represent the principal platform whereupon CRM operates. As discussed in Chapter Two, in order for CRM to be truly effective, strategies and operations need to incorporate both internal and external customers. Thus, the significance of employees within the realm of CRM is examined in detail. As CRM is generally targeted to guests, the customer, whether the latter is an individual or an organisation, is invariably regarded as being central to operations (Zineldin, 1999; Reyes Pacios Lozano, 2000). Consequently the significance of customer satisfaction, which has been hailed as being at the root of loyalty, with regards to the specific context of CRM is reviewed in depth. In line with the all-inclusive holistic approach to CRM discussed in Chapter Two, the genuine embracement of CRM across the various levels of organisations is also discussed.

Regardless how valid the concept of CRM may be in theory, unless it is adequately implemented within operations, hotel companies will arguably not be able to benefit from the range of opportunities, which the concept affords. Accordingly, the types of managerial practices, strategies and tactics, being deployed by hotel chains in their attempts to facilitate CRM at the organisational and individuals levels have also been reviewed. Examples depicting the ways in which CRM has already been embraced within the hotel industry are also intended to help strengthen the achievement of the research objective to reveal that CRM is ideally suited to the hotel industry.

TECHNOLOGY

The Internet

The internet has been the research backdrop of much effort and activity, as well as much controversy and confusion. However, according to Gattiker et al. (2000) although empirical studies abound, these appear to be rarely linked to conceptual theories. Nonetheless, the general consensus is that the internet has become a powerful tool, transforming the fundamental dynamics behind business interactions (Simeon, 1999; Chaffey et al., 2000; Birch et al., 2000). Within the hotel industry, the growth of the internet and its applications has been stirring both excitement and wariness (Davies, 2001a). Indeed, even though the initial promises of cost savings and increased revenue may not yet have fully materialised within the hotel industry, it is maintained that the internet is still the biggest revolution to impact the hospitality industry since the telephone (Davies, 2001b). Although John Paul Nichols, the executive vice-president of sales and marketing for Cendant hotels, advocates that the internet will dramatically change the hotel industry for the better, Davies (2001b) argues that the real impact is yet to be felt in the industry. Meanwhile, the internet appears to have already started to drive CRM into a new era.

Despite the fact that internet mania unquestionably propelled technologically driven tactics to almost spiral out of control in the 1990s, the initial enthusiasm associated with the worldwide web appears to have slowed down. According to Curtis (2000:32), this is due to the fact that:

> companies are increasingly realising that it is time to calm down, think less about hype and more about long-term strategy and evolving relationships.

Although this new cautious approach to the internet could have engendered a reduction in investment in internet based technologies, market intelligence reports provide evidence of the contrary (Key Note, 2001, 2003b, 2005b). In fact, they reveal that expenditure on the internet and its peripheral technologies has been steadily growing with expenditure on internet software, services and hardware by UK businesses having been worth £8.29bn in 2004 (Key Note, 2005b) compared to

£3.59bn in 2000 (Key Note, 2001a). It has even been forecasted that between 2005 and 2009 business expenditure on the internet will rise by 35.8% to an estimated £12.41bn (Key Note, 2005b). It is anticipated that internet services, rather than hardware, will be the main growth area. Such statistics not only implicitly confirm that strategies are increasingly becoming technology-driven in the context of the dynamic environment afforded by the internet, but they also shed light on the growing role of peripheral technologies such as intranets and extranets.

Although Davies (2001b) advocates that the initial promises of increased revenue may not yet have fully materialised within the hotel industry, there is an indication that hotel companies are increasingly seeking to increase their return on investment on online technologies. For instance, when Thistle Hotels Plc commenced their first internet marketing campaign in July 2000 to promote online bookings, incentives included free air miles and 50% discounted weekend breaks targeted to business travellers and their hotel bookers (Key Note, 2001b). In June 2002, Travelodge began to develop a new database of online customers as part of its strategy to double the 5000 bookings the company took weekly. The website was redesigned as part of the initiative to increase online bookings from 10% to 20% of the company's overall reservations (Key Note, 2002b). In September 2005, Premier Travel Inn introduced a late rooms section on its website to offer special rates for rooms on Fridays and Sundays, when occupancy levels tend to be low (Key Note, 2005a).

In spite of the general consensus that companies have progressed in their usage of the internet, it has been argued that industries as a whole tend to vary in their following of such trends. According to Zahra et al. (1999, p 194), the rate at which technology and competitive strategy dominance occur within different industries depends partly on the stage of evolution of that industry and partly on the type of technological and competitive forces at stake within and outside organisations within that specific industry. Several academics, including Davies (2001a) and Cushing (2004) contend that the hospitality industry is lagging behind many industries with regards to online commerce. Luck and Lancaster's (2003) research study on how hotel chains based in the UK are approaching CRM on the internet reinforces this viewpoint. Conducted within the marketing departments of the head offices of hotel chains, Luck and Lancaster's empirical study reveals that in spite of the fact that most of the hotel chains have a website, the level of adoption of internet technologies and infrastructure varies greatly from chain to chain. Furthermore, although as a whole the hotel industry appears to increasingly be attempting to exploit the opportunities afforded by the internet in terms of sales of hotel rooms, the main objective of most websites is the provision of information. Nonetheless, Davies (2001a) argues that within the hotel industry, the internet is now generally considered to be a definite source of revenue as opposed to being just a medium for the display of online corporate brochure. In a study of the use of information technology in small Scottish hotels, Buick (2003) found that although usage of database systems may be limited, more than 70% of the hotels that are marketing their property through the internet believe that their business has improved. As a matter of fact, Davies contends that there is now a real commitment from hotel companies to find solutions to ensure that online processes are integrated with processes within the traditional business structure.

With the emergence and establishment of the internet and continued advances in technology, CRM appears to have entered a new era. According to Nick Price, the director of technology for Mandarin Oriental, the internet is an enormous opportunity to get closer and more personal with the guests (Davies, 2001b). In view of its potential to enhance the long-term marketing and management of evolving relationships, it is understandable how the internet has increasingly become a powerful medium in the facilitation of CRM. Many researchers including Cannon (2000), Chaffey et al. (2000) and Collin (2000) have had recourse to case studies to demonstrate how prominent organisations have successfully integrated strategies, tactics and technologies to cement relationships with customers online. However, in addition to offering concrete evidence that customer relationships can fruitfully be nurtured online, these studies additionally support Zineldin's (2000a) and Curtis' (2000) independent research conclusions that the primary business function initially associated with internet usage has shifted from the provision of information to the setting of lasting relationships between companies and their customers (Reyes Pacios Lozano, 2000).

According to Werbach (2000), the flexibility of the internet architecture implies that companies operating online are being faced with a multitude of complex choices in their structuring of relationships. Although the income generating opportunities are by all means attractive to hotel companies, the pace at which technology is being developed is arguably creating the significant problem of expensive investments potentially becoming rapidly obsolete shortly after being deployed (Davies, 2001a). Several authors including Davies (2001b) and Cushing (2004) thus recommend that instead of embracing technologies merely based on their infrastructural merit, hotel chains should evaluate technologies in line with their specific needs.

In view of its strong emphasis on human contact and services, the hotel industry may arguably not be considered the ideal industry where online opportunities can be maximised. However, the internet arguably offers hotels the potential to revolutionise the way in which companies not only sell their products and services but also develop relationships. Acording to Yeikur and DaCosta (2001), the selling environment afforded by the internet appears to be particularly suited to hotel services. Indeed, once a hotel activates its website, it can not only provide information about its products and services at any time, but it can also accept reservations and sell its products to prospective guests at any time. Furthermore, regardless of the size and profitability of the hotel chain, the internet offers equal opportunity to all types and size of hotels to access prospects (Gilbert et al., 1999).

Although it facilitates access to more information than any other channel of communication (Gilbert et al., 1999), the internet also possesses some limitations with respect to the hotel industry. Not only do potential customers need to be comfortable with electronic shopping before they will reserve rooms online, but credit card fraud and hacking of details may indeed increase concerns about privacy and security. In 2000, Bass Plc stated that even though it estimates that around 85% of its customer base has access to the internet, only 5% of these customers were in fact making their bookings online. Consequently, from August 2000 Bass Plc has campaigned to increase customer confidence about making their reservations online (Key Note, 2001b).

Many academics including Collin (2000) and Janal (2000) have reviewed how in marrying the needs of customers with internet technology, websites can be turned into the greatest asset for companies to market themselves (Gabay, 2000). According to Pete Brady, the managing director of BusinessMeetings.com, a website not only needs to be comprehensive and user-friendly, but even more importantly it needs to be adaptable, interactive and be well marketed. Brady argues that in contemporary terms, it is simply not enough for a hotel company to merely have a presence on the internet as users now want more in terms of functionality and usability (Davies, 2001a). In response to criticism about its long-winded online reservation process, during 2003 Premier Lodge redesigned its website so as to create a shorter booking process (Key Note, 2003c). Emphasising a different standpoint, Van Niekerk et al.(1999) discuss how an ill-designed website can hinder the opportunities that the internet offers in terms of communication with customers. According to Cushing (2004), it is not only crucial for the content featured on the website to regularly updated but companies should make sure that their website is not only marketed well but also well positioned as having a poor-quality or a static website is arguably worse than not having any website. Advances in technology have led to much improvement with regard to the design of websites. Online brochures increasingly regularly feature sophisticated digital images, video and sound. In 2005, Hilton updated its website so that 360-degree virtual will be offered to prospective guests. Brochures can now also be downloaded (Key Note, 2005). Thus, before making a reservation, a prospect can indeed scrutinise the offerings of a hotel. Despite the opportunities which websites may enable, according to Cushing (2004), a high percentage of hoteliers have still not understood that merely having a website is simply not equivalent to having a complete online strategy.

Gilbert et al. (1999:23) recommend that "successful web applications should demonstrate relevance to the customer base". In fact, Reichheld and Schefter (2000) even advocate that companies' websites should be tailored to the needs of these companies' core customers. These academics even advocate that websites should be structured and written to match specific online customer groups. They should also match the changing interests of such groups. As discussed in Chapter One, hotel chains within the budget sector primordially adopt a low cost strategy. Accordingly, while Travelodge introduced a new search tool on its website in 2005 to allow customers to identify all available low cost rooms at a glance, in September 2005 Premier Travel Inn introduced a late rooms section on its website where special rates from £30 per night for rooms were available on Fridays and Sundays in around 60 of its hotels (Key Note, 2005a).

With the internet enabling 24-hour access to any customer anywhere in the world, companies may be tempted to try to target as many potential customers or prospects as possible. However, several authors warn against this lack of focus. While Van Niekerk et al. (1999) emphasise that companies should vigorously guard themselves against being tempted to be everything to everyone and instead concentrate their efforts on maintaining a tight focus on their specific target audience, Reichheld and Schefter (2000) argue that it is primordial for companies to keep their focus on their target audience undiluted. As a marketing vehicle, the internet offers valuable segmentation opportunities (Walters and Lancaster, 1999c). Indeed, the internet provides hotels with "a useful tool" for the "adoption of micro-marketing in terms of their relationship marketing programmes" (Gilbert et al., 1999:22). For example, Yeikur and DaCosta (2001) highlight how hotels can divide its customers into narrow segments to take advantage of differential pricing for its various segments. Internet technologies also enable the tracking of the evolving needs of customers. Some hotel companies have in evidence invested in online technologies to enable them to segment their online customers. For instance, in 2002 Travelodge installed a new members section on its website in order to build a fresh database of online users only. A member recognition facility was also installed in order to recognise returning customers, who book accommodation or even only order brochures (Key Note, 2002b).

Although Sinha (2000) advocates that prices have become the most prevalent form of information available on the internet, he however argues that e-commerce emphasises the creation of a customer base over making profits. Several hotel companies have in evidence been investing in internet technologies in order to build up their customer base. For instance, in June 2002, Travelodge began to develop a new database of online customers as part of its strategy to double the 5000 bookings the company takes weekly. The website was redesigned as part of the initiative to increase the number of online bookings to 20% of the company's overall reservations, from its previous 10% share. A new members section was developed and installed in order to build a fresh database of online users only (Key Note, 2002b). Thistle Hotels Ltd engaged in a strong online strategy in Summer 2003 in an attempt to increase the size of its database from 50,000 to 500,000 by the end of 2003 (Key Note, 2003c).

Customers increasingly use the internet for research purposes (Davies, 2001a). As prices are prolifically quoted online, these are often researched by prospective buyers (Sinha, 2000). However, Reichheld and Schefter (2000) argue that although customers are rational about prices, they are however not price obsessive. In fact, Reichheld and Schefter even advocate that as customers are strongly inclined to be loyal, contrary to what is usually thought, the majority of customers who use the internet do not seek the lowest possible price. Although such a viewpoint may be accurate, Sinha (2000) maintains that the cost transparency afforded by the internet may weaken loyalty. Furthermore, by enabling comparisons to be made about prices and even offerings, perceptions may be created and altered. According to Davies (2001a), the use of the internet by customers to make comparisons about the hotel industry has shifted the power from the hotel to the buyers. In direct curtailment of such threats, Rich (2000) advocates that focused CRM strategies not only allow companies to protect their markets but also to protect their margins from price competition. Indeed, as succinctly summarised by Reichheld and Schefter (2000), trust rather than price rules the web. In fact, several academics including Barnett (2000), Hoffman and Novak (2000) and Hunt (2000) have argued how the internet offers opportunities to build trust.

From a marketing perspective, as advocated by Gilbert et al (1999), the major benefit of the internet lies in the much greater degree of interaction that it offers in comparison to any other channel of communication. As a channel of communication, the internet provides ample and varied opportunities for the building of relationships between a company and its customers. Moreover, the internet represents a valuable source of information for companies. According to Li et al. (1999), through interaction with its customers, not only can a company gather information about its customers' current tastes and preferences but it can also gauge information about customers' potential needs. Subsequently, not only may future market trends be identified, but even the company's future direction may be influenced by its interaction with its customers. For instance, from November 2001, data about prospective as well as existing customers has been captured via the websites of Queen Moat Houses hotels (Key Note, 2002b). In 2002, Travelodge developed a new database from customers' interaction with its website (Key Note, 2002b).

In spite of the internet repeatedly being credited with offering great potential in terms of building a company's customer-base, promoting sales, and even improving after-sales service (Wang et al., 2000), according to Reichheld and Schefter's study (2000), the average website achieves less than 30% of its full sales potential with each customer. According to Gilbert et al. (1999:21), successful web presence depends on much more than just the technology used and the look and feel of the website. In fact, they advocate that:

> hotels need a framework, which can bridge the gap between simply connecting to the Web and harnessing its power for competitive advantage.

According to Gilbert et al. (1999:21), one of the reasons why hotel companies are not achieving their full sale potential online could be that to date there are few models available for integrating the global models into a hotel's business functions. Notwithstanding, the general consensus suggests that the internet represents opportunities for firms and customers alike in terms of CRM. However, in the midst of the proliferation of case studies testifying to the benefits of how the internet favours Relationship Marketing, Fraser et al. (2000:11) are seemingly the only ones to draw attention to the fact that,

> most of the published case studies reveal that organisations that adopt e-commerce solutions are already involved in customer relationships at a distance.

Hence, as discussed in Chapter Two, it is re-iterated that in order to genuinely benefit from CRM, companies must embrace the concept at all levels.

The database: The pivotal tool of CRM

The Pareto Principle states that 80% of a company's income comes from 20% of its customers. According to Bentley (2005), the ongoing challenge for hotel companies is to determine which specific customers represent that 20%. In an attempt to identify the profitable customers, hotel companies are increasingly investing in database infrastructure. Meanwhile, technological developments have highly likely led to an important trend, which has in evidence centred itself on database marketing.

As a concept, database marketing revolves around organizations acquiring and maintaining extensive files of information on past and current customers as well as on prospects. Although the objective of databases is to enable a better portrait of customers and their buying habits, ultimately they are intended to not only enable hotel companies to market their products, services and even special offers more effectively, but to also provide an improved personalised service to customers (Bentley, 2005). Although database marketing is traditionally associated with the specialised field of direct marketing, numerous authors including Moncrief and Cravens (1999) and Long et al. (1999) have acknowledged how its functions are being increasingly applied to enhance and refine relationships with customers. Consequently, the database has become a pivotal instrument within the CRM arena, not only as far as interaction and the exchange of information between an organisation and its customers are concerned, but also in the facilitation of processes such as the segmentation and targeting of customers.

According to Bradbury (2005), a database is a structured collection of information, which is not only set as indexes but also searchable. In general, databases are used for business applications such as the storing of customers' data. Thus, previous hotel reservations and even restaurant reservations may be held in a hotel chain's database. In layman's terms, databases may be compared to an electronic library, which receives fresh data, stores information and make the latter accessible to an organisation; thereby helping maintain a continuous learning loop (McDonald, 1998). In more implicit marketing terms, databases can be extended to form an extensive and multi-levelled process (Tapp, 2001). Within the CRM arena, it could be argued that databases are used not only to promote and facilitate interaction between an organisation and its customers from the time of an initial response, but also to help with the measurement and analysis of such interactions. Simply put, the ongoing relationship between an organisation and a customer can be systematically recorded in databases. Indeed, a sophisticated database can not only store data on active, dormant or lapsed customers but it may even have the potential to identify prospects (McDonald, 1998; Tapp, 2001). Subsequently, the increasingly integral role, which databases have come to play in CRM campaigns appears well founded.

Developments in information technology have dramatically enhanced the scope for the collection, analysis and exploitation of information on customers (Long et al., 1999). Accordingly, data warehouses have been increasingly created by businesses.
A data warehouse is essentially a giant database, which takes the raw information from the various systems within a hotel, such as central reservations and room service, and converts the data collated from all the sources into one easily accessible and ideally user-friendly set of data (Davies, 2000). When used effectively, data warehouses can not only gather data on a continuous basis but they can also allow the precise segmentation of information about customers. Subsequently, as discussed later in this chapter under Processes, profitable interaction with customers can be increased and operations such as targeting and even customer service improved. As succinctly summarised by Davies (2000), the ultimate aim of data warehouses is by all means to help create customer retention. Large hotel chains have in evidence been acquiring and storing customer data in a combined attempt to achieve competitive edge and improve the experience of customers. It even appears that hotel chains have realised the associated benefits of databases. For example, as a consequence of investing in customer relationship management software, Marriott International registered improvements in other areas, such as cross-selling and yield management (Caterer and Hotelkeeper,

2004).

The capability of databases to help track actual purchases of customers and enable inferences to predict future behaviour patterns may undoubtedly encourage the assumption that database marketing is routine within the embracing of CRM. Moncrief and Cravens' (1999: 330) contention that "customer service levels increase when customer information becomes so easy to obtain and disperse", could by all means imply that databases are being efficiently and effectively used to acquire and maintain information on existing and prospective customers. Indeed, Abbott (2001:182) even advocates that refinements in technology has provided companies with increasing opportunities and well-structured channels to not only collect abundant amount of data but also to manipulate this data in various different ways so as to unravel otherwise unforeseen areas of knowledge. However, as discussed later in this chapter under Processes, several academics have reviewed how databases are not being optimally used.

Integrating workflow technologies for CRM

Although academics and practitioners tend to agree that technical innovation is essential to ensure the future growth and success of businesses with regards to CRM, the embracing of technologies within operations appears to have been slower. In a survey of the use of information technology in the independent sector of the hotel industry in South Wales, Main (1995) found out that 65% of her sample, felt that they did not maximise the potential of their existing system. Rather that deploy the lack of expertise of the hoteliers, Main (1995) argue that it is the suppliers of IT who seem to be unable to target their market. In recent times, this issue appears to have been curtailed through partnerships between hotel chains and specialised IT agencies. For instance, in 2003 when De Vere Group Plc sought to restore its customer database to create more targeted and cost effective marketing campaigns, the GB group was enlisted. Later in the same year when Thistle Hotels Ltd engaged in a focused online strategy to increase its database, Arnold Interactive was appointed to handle that project (Key Note, 2003c).

Technology has been hailed as having the potential not only to revive but also enhance more personalised service with customers (Gilbert et al., 1999). As such, technology has been hailed as an enabler of competitive edge. Although this standpoint is supported by several academics, including Peppers and Rogers (1999) and Gattiker et al. (2000), Zahra et al. (1999) arguably offer the most systematic synopsis of the connection between competitiveness and technology. According to Zahra et al., until recently two major perspectives have dominated beliefs about the connection between competitiveness and technology. The first perspective proposes that technological choices made by a company are hierarchically linked to its internal capabilities and strategic competitiveness. By regarding technology as a mere subset of the total organisational resources of a company, the second perspective considers technology to be simply one of the "strategic weapons" available to any organisation to use to achieve its goals (Zahra et al., 1999:188) *(see Appendix Q)*. Zahra et al.'s third perspective is arguably much more pertinent to the scope of CRM supported by this thesis.

This third perspective feeds on the dynamic interplay, which exists between technology and a company's competitive strategies. Accordingly, "technology and strategy variables influence one another in a continuous loop" (Zahra et al., 1999:188). This "continuous loop" is alleged to enable the development of both technology and competitive edge as a dyadic exchange. It is also believed that the organic evolution of each variable is also facilitated separately. Additionally, the active interaction, which can exist between technology and competitiveness, is expected to create and facilitate organisational learning, as well as encourage companies to exploit the knowledge, which will invariably be created in the process. After having developed or acquired a technological capability, a company may explore ways to incorporate this new found technology into its strategic arsenal. However, it is highly likely that over time, that company may learn how to change its technological capabilities in ways unrelated to its initial strategic mission and usage (Zahra et al., 1999:195). Thus, not only does this third perspective grounding for Moncrief and Cravens' (1999:332) standpoint that "technology is a major driver of organizational change", but it also appears to support that "adaptive marketing" is indeed the way forward to achieve competitive advantage.

Although Werbach (2000:89) and Fraser et al. (2000) specifically refer to internet architecture when they discuss how companies are faced with a wide range of technologies, the plethora of technological options, which is increasingly available to hotel chains, is by no means internet bound. In technological terms, the realm of CRM includes (Key Note, 2002a:2):

> a complex and changing market, which includes outsourcing and operations management, training and consultancy, software-integration systems, analytics, database building and database management as well as software applications.

Subsequently, it becomes understandable how software sales of CRM applications were estimated to be at $61bn world wide in 2001 while a compound annual growth rate of around 25% was predicted for the years 2002 to 2005 (Key Note, 2002a). Furthermore, it was estimated that the underlying trend for CRM applications will continue to grow from an estimated $13.36bn in 2002 to $24.39bn by 2007 (Key Note, 2003a). It is anticipated that this trend will continue to grow.

In contemporary terms, the impetus surrounding CRM undoubtedly centres on technology and its respective tools. This viewpoint appears to be so prominent that when conducting a review of small and medium hospitality enterprises, Buhalis and Main (1998) went as far as suggesting that establishments, which do not adapt to technologies and fail to utilise these will suffer competitive disadvantages. However, as is pertinently highlighted by Hoffman and Novak (2000) and by Zineldin (2000a), the use of technology should be dichotomous. While on one hand, technology should help facilitate the enhancement of CRM initiatives and opportunities, on the other hand, technology should enable companies engaged in CRM to keep their finger on the customers' pulse and respond to not only the customers' changing needs but also to general market trends. Only then will the true interaction afforded by technological tools with regard to CRM arguably be genuinely achieved and exploited.

In line with CRM connection with market trends, Zahra et al. (1999: 197) shed light on how while it creates opportunities for technical innovation, market dynamism also challenges companies "to protect, upgrade or even revise its technological capabilities". Seemingly in support of this viewpoint, Kandampully and Duddy (1999a) further advocate that the means to sustainable and unequivocal market leadership may indeed be achieved through focus on anticipation, innovation and relationships. In the specific context of the hotel industry, in a study of Australian managerial perspectives, Lee et al. (2003) found that companies are embracing modern technologies in an attempt to enhance their services and to increase customer loyalty. According to Lee et al. (2003:423), their objectives are to remain at the forefront of the marketplace and "to improve service, efficiency, and profitability". The results of their study not only show that hotel customers are increasingly demanding more technology-supported services but also highlight how the hotels themselves have benefited from technology in terms of employee support, quality of service, efficiencies, competitive advantage, the maintenance of relationships with customers and ultimately profitability.

As companies look to possible customer needs for technological advancements, it has been suggested that it is technology and its tools that will enable the greatest opportunities for creating long-term and close relationships. Indeed, selecting the right technological resources and capabilities to consistently and continuously create a competitive advantage is undoubtedly one of the key challenges facing hotel chains in contemporary terms. Responding to such an ongoing challenge requires continuous fresh thinking and expertise. However, as is succinctly argued by academics such as Hoffman and Novak (2000) and Reichheld and Schefter (2000), the basic laws for building relationship and creating loyalty do not seem to have changed. What seems to be changing however is the pace at which companies must improve their services if they hope to keep their customers loyal. Indeed, "technology, however sophisticated, cannot protect a firm's competitive advantage indefinitely" (Zahra et al., 1999: 190). Adamant that loyalty, the ultimate objective of CRM is not won with just technology, Reichheld and Schefter (2000) emphasise that loyalty is instead won through the delivery of a consistently superior customer experience; a customer experience, which will be impossible to achieve without the right people and processes.

PEOPLE

The internal customer as the true enabler of CRM

Although the customer, whether the latter is an individual or an organisation, is invariably regarded as being central to operations (Zineldin, 1999; Reyes Pacios Lozano, 2000), following an altogether distinct continuum, Chen and Popovich (2003:681) state that "it is the individual employees who are the building blocks of customer relationships". The importance of internal customers has indeed been increasingly documented. While Gummersson (1987, 1996) and Grönroos (1989, 1996) emphasize how the development of a strong internal marketing function is an integral task for companies genuinely attempting to embrace Relationship Marketing holistically, Ballantyne (2003:1242) explains how by means of "structural relationships", internal marketing can create added value not only for the employees themselves but also for the external customers and the organisation or company. Such standpoints may indeed be regarded as supporting the definitions discussed in Chapter Two that Relationship Marketing should not only concentrate on external customers, but also upon the links or forces within organisations too.

Notwithstanding the merits of this perspective, research focusing on the hotel industry conducted by academics such as Burgess (1994), Nolan (2002), Avcikurt (2003) and Taylor and Davies (2004), albeit spanning over two decades, repeatedly conclude that the gap between enlightened rhetoric and reality remains disturbingly wide in many hotels. When advocating that the "debate" surrounding the development of human resources within the hotel industry "has typically been characterised by a paradox" (2002:95), Nolan sheds light on how a conflict persists. While on one hand, theoretical perspectives repeatedly prescribe how it is crucial for employees to be adequately trained so as to deliver the expected high quality of service vital for competitive success, much of empirical literature still tends to reveal a far greater focus on tight control over costs and on profit margins rather than on the development of employees (Nolan, 2002). Burgess (1994:13) recommends that companies should attempt to bridge this gap "as a matter of urgency", if they wish to prevent their experienced and valuable employees from being lured away by their competitors.

Avcikurt's (2003) study uncovers how although hotel managers complain about the quality of their employees, only a few actually offer training programmes to help improve their employees' expertise. Furthermore, Avcikurt reveals how in many hotels, daily operations appear to be considered much more important than long-term activities and planning. Identifying another shortcoming with regards to the training strategies, Taylor and Davies' (2004) study reveal that hotel companies are only failing to keep up with current practices and that HR practices tend to be very traditional and tend to focus on administrative rather than strategic goals. Nolan's contention that the development of employees is not being given high priority is deemed particular confusing in the light that she also believes that internal customers may not only help companies achieve competitive edge, but they may even become the competitive advantage (2002). In fact, Nolan compares employees to potential assets. The fact that both the hotel industry and the concept of CRM are essentially people-oriented indeed makes this means of achieving competitive edge particularly attractive in contemporary terms. Moreover, Nolan not only advocates that only a small number of hotels manage to take advantage of this opportunity, but she also states that human resources activities tend to be only directed at solving immediate operations problems rather than the long-term development of people. Notwithstanding Nolan's contention, such hotel companies as the Ritz-Carlton (Strategic Decision, 2004) and Hilton (Human Resource Management, 2004b) appear to have understood that their employees can be valuable assets to them.

As a sector, the hotel industry is considered to be generally people intensive (Key Note, 2006). However, when advocating that:

> it is axiomatic that the hotel industry, like most service industries, is fundamentally concerned with human resource management,

Lashley and McGoldrick (1994:25) arguably misleading imply that human resource management is a driving force within the hotel industry. Although it cannot be refuted that the hotel industry is fundamentally people-oriented, in reality, turnover and profits rather than human resources statistics quintessentially represent the criteria on which hotel chains are assessed (Key Note 2005a, 2006). Subsequently, the suggestion that the hotel industry is primarily concerned with human resource management may be considered paradoxical. However, in spite of the validity of studies by such academics as Nolan (2002), Avcikurt (2003) and Taylor and Davies (2004), Lashley and McGoldrick's (1994) contention nonetheless contains some truth. Indeed, in view of the central role that human resources play within hotel operations, success in the hotel industry is undoubtedly closely linked to the performance of the employees.

Even though several studies highlight how human resource management has not been adequately addressed within the hotel industry, there is also an abundance of studies, which testify to the contrary. Although, it cannot be denied that studies invariably highlight how training programmes within the hotel industry tend to predominantly revolve around operations and customer service (Strategic Direction, 2002; Strategic Direction, 2004; Human Resource Management, 2004a; Human Resource Management, 2004b), there is some indication within the same studies that a longer term perspective is slowly being embraced. Furthermore, in direct contrast to Nolan's (2002) contention about hotel companies not investing in the development of their employees, McColl-Kennedy and White (1997) and Maxwell and Lyle (2002) reveal that growing investments have in evidence been channelled into the training and development of employees within the hotel industry.

The topic of human resources within the hotel industry has attracted the attention of a wide range of researchers, including Watson and D'Annunzio-Green (1996) and Carbery et al. (2003). The development of human resources is said to not only be essential to the expertise, morale, job satisfaction and even commitment of employees, but it also impacts customer service, the profitability of a company and even customer relationships (Nolan, 2002). The development of human resources can arguably offer hotel chains a great source of competitive advantage. When advocating that:

> it has long been recognised that effective staff training and remuneration allows an organisation to provide a unique and differentiating standard of service in industry, resulting in increased profitability to service providers,

Taylor and Davies (2004:466) may not only be deemed to be building upon Nolan's viewpoint, but they arguably also offer a summary of the significance of HR within the CRM arena.

The general consensus indicates that the hotel industry recognises the high repercussions, which the interactions between employees, in particular front line service providers, and customers can have on their business (Human Resource Management, 2004a; Human Resource Management, 2004b; Strategic Decision, 2002; Strategic Decision, 2004). As a matter of fact, as uncovered by Pallet et al. (2003) and Taylor and Davies (2004), many managers and companies consider that the service quality of their employees is paramount to the quality and productivity of their establishment. This is considered to be particularly pertinent in positions where there is much contact with guest. As managers appear to understand that training allows an organisation to improve the standard of the quality of service provided to customers, time and effort are in evidence being channelled into the training of service personnel (Pallet et al., 2003; Taylor and Davies, 2004). Indeed, some hotel companies appear to have understood that training not only needs to be delivered as a long-term and ongoing feature, but perhaps even more importantly, the expertise of their employees is a crucial part of day-to-day operations. Furthermore for training to meet its goals, it should be seen as "a necessity and not a luxury" (McColl-Kennedy and White, 1997:249). As a part of an ongoing training programme, the Ritz-Carlton allocates at least 100 hours of training per year to each employee (McColl-Kennedy and White, 1997; Strategic Decision, 2004).

Chen and Popovich (2003) recommend that processes such as job evaluations, compensation programmes and reward systems should be routinely integrated in the development of human resources. In fact, they (2003:685) argue that these need to be "modified on a basis that facilitates and rewards customer orientation". In fact, according to Chen and Popovich (2003:685) "how people are measured will determine their behaviour". Although they do not offer any specifications on how this may be achieved, Murphy (2001:41) proposes that employee involvement be measured through the inclusion of "performance reviews, internal and external benchmarking, employee opinion surveys and levels of employee retention". Indeed, according to Murphy

(2001:36), as service excellence is largely dependent on employee activities, not only is the active involvement of all employees vital, but employees must also "be consistently motivated and informed". Some hotel companies appear to already be supporting this standpoint. According to Maxwell and Lyle (2002: 251), the Hilton Group developed the human resource policy initiative Esprit in order to embrace "the key principles of employee recognition, respect and reward".

With specific relevance to CRM within the hotel industry, Chen & Popovich (2003:685) advocate that it is imperative that "each employee" understands "the purpose and changes that CRM will bring". Indeed, as an understanding of the reason behind CRM strategies is expected to enhance the acceptance of the concept, the processes associated with CRM will arguably attract more respect. Only then, could it be expected that CRM would be genuinely integrated in the operations and internal customers able to feel part of a company's engagement in CRM. In emphasising that service quality can be a vital characteristic, which can distinguish one company from another, Nolan (2002) indeed emphasizes how through a focused approach, internal employees can indeed be converted into CRM assets for hotel chains.

Linking internal customers and external customers

According to Mosely, companies at the forefront of customer service in the US and an increasing number of companies in the UK have not only understood that "there is a direct relationship between customer satisfaction and staff satisfaction" (2001:46), but these organizations additionally recognize that the best way to ensure customer loyalty is to focus on the building of employee satisfaction. Although he may be criticized as inflating the actual importance of staff satisfaction when he advocates that such companies "now place staff satisfaction as a higher priority than customer satisfaction" (2001:6), Moseley nonetheless sheds light on the critical importance of staff satisfaction within operations. Notwithstanding, a more balanced contention whereby employee satisfaction is placed at least on an even par with customer satisfaction is arguably more recommendable. As discussed in Chapter Two, Reichheld et al.'s (1996, 2000) Virtuous

Circle reflects such a balanced contention.

Although they follow distinct lines of thought about the connection between staff satisfaction and customer satisfaction, several other academics including Rogers et al. (1994), Williams (1998) and Gremler et al. (2001) support the standpoint that employee satisfaction is at the root of customer satisfaction. According to Gremler et al. (2001:44), interpersonal bonds and relationships between employees and customers can not only significantly influence communication between these two parties, but they can also help foster tighter bonds between employees and customers. This contention may be considered to build upon Aaker's (1996) theory that as employees are part of a company's brand they need to be nurtured. Focusing on service personnel and on salespeople, Williams (1998) discusses how the customer-oriented behaviour of high customer-contact employees can influence and enhance the development of relationships with clients.

In addition to emphasising how important the relationship between customer satisfaction and employee satisfaction is to companies in general, Sanes (1996) advocates that this relationship is even more important for companies, which are strategically aiming to achieve differentiation through exceptional customer service. This standpoint may be considered to be particularly pertinent to the hotel industry in view that as discussed in Chapter One, many hotel chains are in evidence opting for differentiation of customer service as a competitive strategy. For example, the five star hotel chain Ritz-Carlton focuses on its service excellence and established heritage to differentiate its hotels from their competitors (McColl-Kennedy and White, 1997). In spite of the varied perspective brought forth with regards to the connection between employee satisfaction and customer satisfaction, Reichheld et al.'s (1996, 2000) Virtuous Circle is arguably the best attempt to establish the correlation between these two variables *(Appendix K)*. Indeed, rather than prescribe that customers or employees or even the company itself be given priority, the Virtuous Circle simply yet clearly demonstrates how each segment of an organization's people element fits into a fluid and continuous process with other functions within operations.

Although employees are undoubtedly a crucial link to CRM's success, it cannot be ignored that it is in fact customers who are the true judges of operations and service within hotel companies. Unmistakably, guests not only help create profitability but the ultimate success of any hotel chain in terms of CRM arguably depends on them too. Indeed, although management devises training programmes and sets standards of service, Parasuraman and Berry (1991:57) offer a strong reminder that it is customers who are and will remain the ultimate judges of service quality when they succinctly summarize how:

> management may think the service is fine, but if the customer disagrees, the company has a problem.

Meanwhile academic literature and practice seem to converge on the fact that customers are increasingly demanding higher levels of service. According to McColl-Kennedy and White (1997:249), customers are looking for "flawless performance in service encounters". Hotel companies appear to have understood the crucial role that customer service plays in the satisfaction of customers. Thus much effort has been directed into the training of employees to ensure that the latter are meeting expected standards. While such hotel chains as Delta advocate that hotels should listen to their operational staff (Human Resource Management, 2004a), Hilton agrees that in order to deliver the high level of service associated with its brand, the company must keep on investing in the training and the development of its staff (Human Resource Management, 2004b). It has even been argued that customers return to the hotels within the Ritz-Carlton hotel company because of the Ritz-Carlton quality of service (Strategic Direction, 2004).

According to McColl-Kennedy and White (1997), apart from the study that Schneider et al. conducted in 1994, no focused research has been undertaken to review the relationship between training programmes and customer satisfaction. In spite of an extensive literature search, no more recent comparative study within the hotel industry has been uncovered. Notwithstanding, as customers are the one who will ultimately judge the levels of service offered (Parasuraman and Berry, 1991), it is arguably imperative that employee and customer assessments of service are aligned.

Although much investment is channelled in training programmes in attempts to enhance the service quality provided by employees, according to McColl-Kennedy and White (1997), training programmes tend to in general focus almost exclusively on familiarising employees with the layout of an establishment. Additionally, they contend that in terms of service quality, most training programmes tend to merely emphasise to the employees that they should always smile, be polite and courteous to the customers. However, when guests and employees were surveyed about elements of customer service, the findings indicate that while employees rate the factor politeness/ courtesy of staff as the most important determinant of good customer service, customers only rank this factor in seventh place. In fact, customers rate the factor personalised service and individual attention as the most important determinant of good service. According to McColl-Kennedy and White although it is not completely surprising that individual attention is so highly rated by customers, it is nonetheless evident that the customer service training programmes being delivered by the hotels sampled not only do not allow for much flexibility in terms of the delivery of service. Furthermore, these still persistently focus on the traditional factor of politeness and courtesy of staff. Hence, it is understandable why the findings uncover a complete mismatch of perceptions. In fact, the employees sampled were not rated well by the customers participating in the research study.

McColl-Kennedy and White's (1997) advocate that an added difficulty within the hotel industry with regards to customer satisfaction is that the intangible nature of services provided by hotels increases the difficulty of customers to truly understand their own sense of satisfaction and the quality of service being provided. Alternatively, Solomon et al. (2002) contend that all too often customers do not evaluate service along a rational thought process. Notwithstanding such contentions, in line with Brotherton's argument (2004), it is argued that guests usually have their personal critical success factors against which their satisfaction will be evaluated. Thus, hotel companies should arguably ensure that they identify and deliver on the critical success factors of their core customers. Moreover as highlighted by McColl-Kennedy and White, marketing departments should be more involved in the devising and delivering of customer service training programmes as customer service is undoubtedly more a marketing-driven function.

Indeed, as succinctly McColl-Kennedy and White emphasise companies should clearly identify what their core customers want in terms of customer service before devising training programmes.

Academics as well as practitioners appear to have understood how employees can affect customers' evaluation of services within the hotel industry. Parasuraman and Berry (1991) shed light on how service personnel can influence a customer's evaluation of a service through what they say or do not say, their appearance and their conduct in front of that customer. In an attempt to enhance customer satisfaction, hotel chains are attempting to train employees to behave in a way that is expected by their guests. For instance, training programmes at the Ritz Carlton teach employees how to follow specific behaviour guidelines as ladies and gentlemen in their encounters with guests (Strategic Direction, 2004). Within Hilton International hotels, the contribution of staff is seen as an absolute core to the strategy of Equilibrium, the initiative developed and unfolded worldwide by Hilton International to help meet the needs of individual guests. In fact, according to Maxwell and Lyle (2002:252), the strong identification and linking of customer offering and staff delivery has been very well received within Hilton hotels. Within the budget sector of the hotel industry in the UK, the employees at Premier Travel Inn hotels are encouraged to match the company's straight-forward outlook on customer service, and employees are empowered to deliver on the 100% guarantee (Key Note, 2001b).

Although, it is suggested that it is imperative for the needs of individual employees to be monitored and fulfilled so that they may deliver on the service requirements, it is also important that customer service training programmes are also re-assessed and closely monitored in order to help ensure that employees are in fact delivering on the elements, which customers are expecting. The same perspective is recommendable for the deployment of CRM programmes. Indeed, not only should CRM programmes incorporate elements, which are truly valued by customers, but employees should also be trained so that they are not only able to deliver on the elements required but they also understand why these elements are important. Indeed, for a hotel chain to be genuinely able to meet the needs of its guests in terms CRM, it must by all means define its CRM programmes and even service quality in the same way that its guests do.

From top to bottom: the genuine holistic embracement of CRM

Several academics, including Murphy (2001) and Chen and Popovich (2003) have reviewed how the commitment of senior management is crucial for the successful implementation and the on-going effectiveness of all policies, changes and indeed of CRM within an organisation. While Chen and Popovich (2003:685) contend that "management must show its commitment through on-going company-wide education and training programme", Murphy (2001) advocates that senior management should encourage employee involvement and the empowerment of teams as well as training and development.

The positive impact that senior management has on operations is evident in research studies conducted within the hotel industry. For instance, when assessing and comparing customer and employee perceptions of service quality in all the five-star hotels based in a medium-sized Australian city, McColl-Kennedy and White (1997) uncover that in the hotels where the gap between customer and employee perceptions of customer service is smallest, not only is the emphasis given to training of employees seen to be greater, but management is also seen as giving real support to these training programmes. Similar benefits could arguably be reaped as far as CRM initiatives are concerned.

In practice, CRM projects tend to be initiated by senior management, marketing or the sales department. Notwithstanding Chen and Popovich (2003) shed light on how although traditional thinking generally associates customer orientation and customer handling with the departments of sales and marketing, in contemporary terms the concept of CRM appears to increasingly entail the involvement of the entire organisation. Indeed, as discussed in Chapter Two, the holistic approach to CRM entails an all inclusive total management process. As identified, the latter, which calls for the involvement of the various departments of a company as well as senior management appears to be widely supported.

The role of senior management has traditionally centred on the design of strategy and on the implementation of structure and systems. However, it has been argued that this role is changing. Supporting this standpoint, Watson and D'Annunzio-Green (1996:25) advocate that the future focus of top management lies in "the definition and articulation of an organisation's purpose". In fact, they argue that it is only after establishing the purpose of an organisation that senior management can proceed to clarify the processes through which the identified purpose is to be implemented. For a concept like CRM to be embraced within an organisation, it must ideally be subject to a framework and a set of practices. Thus, a strategic approach to the development and implementation and even monitoring of CRM is undoubtedly dependent upon its champions in senior positions.

The achievement of objectives with regard to CRM requires the utilization and management of its human resources as well as the support of the entire organisation, including senior management. This requires skilful planning, implementation and monitoring. According to Watson and D'Annunzio-Green (1996:27), there is a strategic link between human resources practices and processes in helping "to create, reinforce and change organizational cultures". Building upon this contention, Davidson (2003) advocates that there is a strong link among an organisation's culture, the quality of the service offered by its employees, its customers' satisfaction and indeed the success of that hotel or company. It is thus argued that the way in which CRM is embraced within a hotel chain is also directly linked to the organisational culture within that company.

Such academics as Murphy (2001) and Chen and Popovich (2003), advocate that the development of relationships with people can impact not only the improvement of a company's competitive advantage, but also the sustainability of that competitive edge. Accordingly, the way in which relationships are developed within and outside a hotel chain will arguably have a direct effect on its CRM endeavours as well as its future.

PROCESS

Processes: The key to unlocking the benefits of CRM

Until fairly recently, efficient facilities, standardised products and lower costs have arguably been sufficient for companies to be able to satisfy customer needs (Galbreath and Rogers, 1999; Chen and Popovich, 2003). However, with increased competition, mass marketing appears to have lost its glitter. As discussed in Chapter Two, Relationship Marketing and CRM have been hailed by organisations and academics as the solution to this change of consumer expectations. Several academics including Palmer (1996) and Murphy (2001) have argued that if companies intend to optimally embrace CRM, they will need to re-align their business offerings.

As discussed earlier in this chapter, supporters of the important role of technology within the CRM arena are numerous. Fraser et al. (2000) even advocate that it is only when companies ensure that their organisational and systems changes remain one step ahead of their competitors' that they can be said to be making the most appropriate use of technology. By contending that technology can set companies ahead of their competitors, Fraser et al. quintessentially appear to equate technology to a competitive advantage. However, while Goldenberg (2000) warn that failure is imminent if companies believe that CRM is only a technology solution, Overell (2004:1) testifies that within the business environment, "rather than rethink functionally fragmented processes from the customers' viewpoint", companies have instead tended to follow a flawed contingency and expected information technology "to solve management problems".

A consortium of academics, including Joplin (2001) and Nitsche (2002), consider that CRM not a technological solution but a strategy. In fact, Joplin considers CRM to be the most important strategy, which any company must adopt and develop if it wishes to remain competitive. The evolving properties of CRM as a strategic solution are emphasised by Nitsche when he argues that "technology is not a panacea" (2002:208) and that the people and markets, around which CRM revolves, are "changing just as the competition is" (2002:207). To be able to embrace the fast occurring changes, Nitsche advises that companies must re-organise themselves. Likewise, hotel chains arguably need to re-structure their strategies and tactics in line with emerging new market forces in order to capture the inherent and changing opportunities afforded by CRM. This re-organisation and re-structuring can indeed only be achieved through a review of functional and business processes.

The general consensus is that CRM have been embraced within the hotel industry. However, Joplin (2001:83) advocates that "most companies do not have a clear understanding of the reason why they are adopting CRM". In order to increase their return on investment, Nitsche (2002) recommends that companies should conduct a thorough overhaul of their business objectives prior to making any investment and engaging in any CRM strategy or initiative. Nitsche advises that not only should companies re-examine their purpose and objectives, as stated in their mission statement for instance, but they should also take into consideration their operational objectives. Although Galbreath and Rogers (1999) and Chen and Popovich (2003) state that the goals of CRM are varied, within the hotel industry these arguably revolve around the main strategic objectives of increasing revenue and the promotion of customer loyalty. Meanwhile operational objectives may include the reduction of costs of overheads, improved customer service and even the improvement of day-to-day operations.

According to Nitsche (2002) all too often errors are committed even before a CRM programme is created, let alone implemented. The first error can happen at the outset when the targets or objectives of CRM programmes or initiatives are not clearly defined, but "only worded as a very vague vision" (Nitsche, 2002:210). In an earlier study on the main barriers to successful CRM, Joplin (2001:83) however addresses how this error can be curtailed by means of "a detailed description of the number and type of customers" a company intends to "identify, win" and "keep". In actual fact, Joplin argues that from the onset, even before a company engages in a CRM programme, several processes must be completed. The company needs to determine which type of customers it wishes to target through that CRM campaign. The specific means through which the company intends to enhance and grow its relationship with the afore-mentioned type of customers needs to be evaluated and selected. The detailed time span for the implementation of the strategy should also be clearly identified. Lastly, but perhaps most importantly, Joplin insists that a company embracing CRM must remain clear about what its real aim is for pursuing a relationship with the precisely segmented and targeted customers. Only then, it is argued will the company be able to remain strategically focused.

The second error, which Nitsche (2002) advocates a company can make when adopting CRM is that it fails to consolidate its interest in its use of CRM as a strategic solution. Consequently, a variety of differing internal interests will exist within that company with regards a CRM endeavour. Within the context of a hotel chain, while a general manager may have a strategic target, such as the increase of leisure occupancy at weekends, a shareholder may simply want to increase profit margins. At the same time, the finance department may be more concerned about the return on investment while the marketing department may be more intent on gathering data about prospects. This sometimes conflicting variety of interests and departmental objectives frequently creates an added layer of difficulty in the definition of clear objectives. Indeed, different departments within a company may not only have very different targets but may even have "very different views of the same targets" (Nitsche, 2002:210). Thus, it is crucial for companies to ensure that the various targets and interests are aligned and possibly even consolidated before engaging in any CRM initiative.

As discussed in Chapter Two, the changes of the market environment have a direct impact on Relationship Marketing. According to Prabhaker (2001:113), within the business environment, "two specific evolving forces have led to organizations having to rethink their business models". These are: the power of customers and the changes in technology. The effect of the dyadic synergy created by these two evolving forces is said to have been two-fold. While on one hand, companies appear to have in general attempted to keep up with and adapt to these changes, on the other hand more proactive companies appear to have learnt how to additionally leverage the advances in technology and computer-integrated control systems to significantly improve their own initial strategic capabilities. This latter contention is arguably aligned to Zahra et al. (1999) explanation about how technology can impact a company's internal capabilities.

Within the hotel industry, a tiered adaptation to the changing market forces seems to prevail. Advances in technology have enabled operational benefits in terms of automation in back-office functions such as reservations processes and check-in processes being generally reaped by hotel chains. Some hotel companies have in evidence additionally attempted to benefit from other opportunities. For example in June 2002, when Travelodge started to develop a new database of online customers as part of its strategy to double the 5000 reservations, which the company took every week, the company's website was also redesigned in line with up-to-date technologies in order to streamline its reservation process (Key Note, 2002b). During 2003, Corus & Regal Hotels Plc re-categorised the profiles of the customers on its existing database in an attempt to engage in precise targeting. As part of their strategy to increase return on investment, all bookings made for any of the hotels within the group was redirected via the central reservations office or to their new marketing database. This new process was implemented in order for the existing records to be consistently and continuously updated and for the profiles about new customers to be automatically created (Key Note, 2003c). Through the centralisation of its customer contacts, this hotel chain arguably also put itself in a better position to offer a more controlled view of the company to its existing and prospective customers.

CRM implies a detailed examination of the guest (Davies, 2000). Accordingly, CRM systems may include functions relating to customer retention, customer profitability and even more mundane details such as whether customers prefer still to sparkling water. For instance, the application of a CRM system in Swissôtel hotels is not only intended to rely on increased levels of customer satisfaction to drive repeat business, but specifically targeted marketing campaigns focus on attracting new guests. Indeed, as is identified by Davies (2001b), Swissôtel intends its CRM system to not only facilitate customer retention but also customer attraction. However, in order to achieve such objectives, hotel chains have to adhere to some specific processes.

Converting data into competitive edge

CRM is arguably a progression from data warehousing. At present, one of the principle functions of CRM systems is indeed to collect as much data about each customer as is possible. As discussed earlier under Technology, this information is then stored to be used at a later stage to give guests as much of a personalised service as possible when they return (Davies, 2001a). According to Cindy Green, the senior vice-president of Pegasus Business Intelligence, this will not only lead to a change in the sales and marketing arena but even more importantly this will imply that hotel companies will need to become as advanced in the management of their customer relationships as technology will enable them to be (Davies, 2001a). This change of perspective is arguably expected to engender a transition from the management of data about the customers to the management of interactive relationships. Accordingly, data, which hotel chains have compiled over the years about their customers, would need to be used intelligently in order to be enable predictions about consumer behaviour as well as the anticipation of needs or even problems. Such data can indeed be used to precisely target marketing campaigns. Indeed, as succinctly summarised by Green, CRM is in actual fact simply about a hotel company being willing and flexible enough to change its behaviour in line with what customers are saying and what the data collated reveal about them.

CRM concept has grown out of companies' attempts to offer a better service to their customers than their competitors are offering Gledhill (2002b). Within the hotel industry, as identified above, one of the major elements appears to be the pursuit to streamline back-office processes in order to achieve greater operational efficiencies. Technology has revolutionised operations within the hotel industry as applications have in evidence already managed to smoothly link front-office processes such as check-in, with back-office functionality such as reservation details. Additionally, in order to enhance their engagement in CRM, many hotel chains have invested in customised systems. Notwithstanding, as is succinctly reminded by Chen and Popovich (2003:682), despite the crucial role that technology and people play within the CRM arena,

> the philosophical bases of CRM: relationship marketing, customer profitability, lifetime value, retention and satisfaction,

are in fact created through the business process management.

According to Cindy Estis Green, from Driving Revenue, a consultancy that aims to help hotel companies add value to the data they collect from and about the customer, the management of a database involves three crucial stages (Goymour, 2001). Firstly, when all the data collected about a guest is consolidated into a usable set of information, the automated cleaning of data must be conducted. Secondly, the analysis of the information about the guests must be undergone in order for the hotel company to be able to precisely target the most attractive prospects and discard those suspects who do not meet the profiling criteria. Thirdly, the results of the targeting of specific guests must be tracked in order to determine which guests responded to the campaigns. This step will not only identify the profitable customers, but it will ultimately also indicate which promotions and campaigns are successful. Subsequently, the adequacy of these can be evaluated.

The general consensus is that an integrated and centralised database will enable a complete view of the customers within a hotel chain. Such a database is expected to collect ongoing information from all relevant sources and outlets, such as reservations and other point of sale systems located within the various hotels. Information from customer satisfaction questionnaires, surveys or even emails can also be fed into the database. The data would ideally be compiled so as to produce an integrated set of information in order to produce a unified profile about each customer (Bentley, 2005). According to Jane Waterworth, the marketing director at Shire Hotels, the standardising of data is a process, which hotel companies should take seriously, as it is vital to ascertain that they in fact are inputting the right data in their CRM system. According to Steve Clarke, the account director at marketing database company CDMS, companies which are serious about CRM must consolidate their data. Otherwise not only may customers end up receiving the same information from various sources, thereby diluting marketing initiatives, but more specifically for the company, no full view of a customer's behaviour would be achievable. Indeed, as emphasised by Bentley (2005), without all the relevant information about a customer, any attempt to use data in a meaningful and precise way to enhance loyalty schemes or even marketing campaigns will be essentially flawed.

A central data warehouse can by all means combine information from many sources and help consolidate a comprehensive and reliable a picture of a hotel's clients. Although data warehouses can be clear and immediately accessible, Velibor Korolija, the operations director with software specialist the Bromley Group, argues that for business and marketing analysts, data warehouses are by no means enough. In fact, it is data mining, a process which involves the analysis of the data in an attempt to seek meaningful relationships not previously known, which Korolija advocates to be of utmost importance (Davies, 2000).

Data mining refers to the process of retrieving data from a data warehouse for analysis purposes. Data mining tools and technologies have been accredited by such academics as Nemati and Barko (2003:282) with having the potential

> to enhance the decision-making process by transforming data into valuable and actionable knowledge to gain a competitive advantage.

Although many databases may by all means be deemed to be appropriate data warehouses, it has been argued that the data mining process associated with many of these has been consistently flawed. In actual fact, in spite of several academics acknowledging the technological trend to rely on database marketing to acquire and maintain extensive information on existing and potential customers (Krol, 1999; Long et al., 1999; Moncrief and Cravens, 1999), such academics as Dyer (1998), Rich (2000), Joplin (2001) and Overell (2004) provide evidence to confirm that companies are not adequately using the information at their disposal to build and strengthen relationships with customers.

According to Dyer (1998), many practitioners are failing to make optimum use of their client databases because not only is their information not being updated, but the available data is not even being analysed adequately so as to produce pertinent qualitative and quantitative information, from which future strategies and tactics could be based. Yet, Murphy (2001) advocates that not only does personalized data have to exist and be correct, but this data should also be correctly updated and be made available to the rest of the organisation. Indeed, the general consensus is that this process should be rigidly adhered to whichever channel of communication the customer uses to interact with an organization (Keynote, 2002). Although this step may not already routinely be adhered to within the hotel industry, there is an indication that some hotel chains have integrated this process in their systems. For instance, from 2003 all bookings made for any of the hotels within the Corus & Regal hotel chain have been redirected via the central reservations office or to their new marketing database so that the information on the database can be continuously updated. Accordingly, the records about existing customers are consistently updated while the profiles of new customers are automatically created (Key Note, 2003c).

Highlighting a different shortcoming, Rich (2000) argues that companies are failing to use the information stored in their databases to build relationships with their customers even though the latter could prove vital for marketers in their attempts to outperform their competitors in terms of providing a better service to customers. According to Overell (2004), marketers and companies are not even attempting to adequately analyse the data to an accepted level of depth. In spite of such contentions, Michael Gadbury, the vice-president of Aremissoft, a CRM software company, advocates that while two years ago, arguably only ten percent of hotel companies showed interest in making use of the data, which they had collected about their customers, this percentage has risen to almost ninety percent in contemporary terms (Davies, 2001a). It is anticipated that in recent years, even more companies have shown interest in adequately mining their customer database.

Although the integrated process of capturing, sifting and interrogating data about customers is flawed, companies have been so eager to capturing data about their customers that according to Overell (2004:1), "many organisations are sitting on mushrooming stockpiles of data". This over zealous attitude towards the collection of data seems to have gripped the hotel companies too. Indeed, as is advocated by Geoffrey Breeze, the vice-president of marketing and alliance development at Hilton International, "hotels have far more information about their guests than they can actually use" (Caterer and Hotelkeeper, 2000:14). Yet, Overell (2004) advocates that the general consensus among database experts is that companies do not have much more understanding of customers than they did prior to their embracing of CRM.

Nemati and Barko (2003:282) offer a plausible explanation for the limited benefits reaped from data mining when they explain that although "management factors affecting the implementation of IT projects have been widely studied", "there is little empirical research investigating the implementation of organizational data-mining projects". Furthermore, in pointing to a plausible differential level of expertise between the collection of data and the actual mining and usage of this data, they also shed light on the inadequacy of training for the people at the various stages of the data mining process. For instance, it is notable that within the hotel industry, technical systems tend not to be developed in-house (Luck, 2001) but commissioned through expert agencies. While CRM systems are developed by experts in line with specifications requested by a hotel company, once unfolded within an organization, such systems tend to be monitored in-house. Luck suggests that internal employees may not have the adequate level of expertise that some of the filtering processes may call for. Furthermore, she also suggests that the high financial, human and technological resources needed to keep a data mining system up to date may also place too high demands on some companies. Arguably in attempts to curtail limitations and perhaps to also enhance their CRM opportunities, hotel companies have increasingly entered in partnerships with specialist agencies. While De Vere Group Plc enlisted the GB group to help create more targeted and cost effective database campaign, Thistle Hotels Ltd worked closely with Arnold Interactive to design, develop and handle its online strategy to increase its database from 50,000 to 500,000 profiles by the end of 2003 and its series of e-marketing campaigns (Key Note, 2003c).

As identified by Bradbury (2005), CRM is meant to not only help companies collect information about guests, but even more importantly it is meant to help companies use the information collected about its customers more effectively. One of the ultimate steps within the data mining process is undeniably to cluster customers into segments, which are not only meaningful but also reachable by CRM campaigns. According to Korolija, it is by all means possible to cluster a hotel's guests into very specific demographic groups (Davies, 2000). In serving a number of closely-related purposes, customer segmentation has been portrayed as a means of predicting behaviour (Clemons and Row, 2000), a method of detecting, evaluating and selecting homogeneous groups (Reichheld and Schefter, 2000) and a way of identifying a target market for which a competitive strategy can be formulated (Gulati and Garino, 2000). In more general terms, customer segmentation is accredited with enabling the identification of key consumer groups so that CRM programmes can be targeted effectively. Some hotel chains in evidence acknowledge that the opportunities afforded by customer segmentation. For instance, in an attempt to precisely and cost effectively target its guests, De Vere Group Plc restructured its customer database in 2003 into a range of customer categories such as debutantes and devoted stayers. This strategy was also intended to enhance cross-selling across the various brands to existing customers. In the same year, Corus & Regal Hotels Plc divided its database, which consisted of 68,000 profiles, into categories. These spanned from cold prospects to loyal customers (Key Note, 2003c).

The varied outcomes of customer segmentation have been well documented. Benefits such as added protection against substitution, differentiation and pricing stability have been quoted by several authors including Walters and Lancaster (1999b) and Sinha (2000). Moreover, Ivor Tyndall, the head of customer intelligence at Le Meridien advocates that as the company segments their consumer base, they can precisely target different sectors or segments with different offers (Bentley, 2005). Although Botschen et al. (1999) support the importance of segmenting customers on the benefit-level, Long and Schiffman (2000) offer evidence to suggest that different segments of consumers may perceive benefits differently and consequently have differing degrees of affinity and commitment to CRM programmes.

The popularity of databases is increasing and as is highlighted by Abbott (2001:182), "vast databases holding terabytes of data are becoming commonplace". However, if companies do not follow the correct processes to tap into this valuable data they have in their databases, new knowledge about customers will be largely uncovered (Rich, 2000). Indeed, it is likely that the assiduous collection of information about customers will be largely wasted. Consequently, although in theory borrowing from the arena of direct marketing seems pertinent to CRM strategy, transferring the theoretical advantages into practice would be an altogether different scenario. Meanwhile, according to Felix Laboy, the chief executive officer of E-Site Marketing, when hotels are able to access more information about a guest and then be able to offer the latter the individual service he or she needs, loyalty will be encouraged (Edlington, 2003). Moreover while such authors as Davies (2001a) and Bentley (2005) advocate that when the data is correctly structured and hotel companies can target their marketing more effectively, it is expected that loyalty schemes will become more effective, Cindy Estis Green from Driving Revenue advocates that when a company shows that it cares about its guests through its offering of benefits, it can strongly influence the creation of customer loyalty (Goymour, 2001).

Retaining old customers and reaching new ones

It is well documented that retaining customers is more profitable than building new relationships. While Reichheld and Schefter (2000) discuss how the dynamics of customer retention are less costly that initiatives focusing on customer acquisition, Kandampully and Duddy (1999b) even state that attracting customers is five times more costly than retaining an existing customer. Consequently, the retention of existing customers has become a priority for businesses to survive and prosper. In view of its inherent long-term perspective, CRM explicably appears to be an ideal platform for the achievement of this ongoing objective. Indeed, as pertinently summarized by Chen and Popovich (2003), CRM strategy can help to attract new customers, but even more importantly, helps develop and maintain existing ones.

Efforts to retain customers have led to the refining of processes such as target marketing and segmentation within hotel operations. Furthermore, with direct marketing and database marketing having been repeatedly identified as two of the immediate forebears of Relationship Marketing in consumer markets (Long et al., 1999), companies have adopted processes initially associated with the specialised field of direct marketing to facilitate their CRM objectives. As such, precise targeting, described by Lester (2004:4) as:

> the ability to deliver accurate and exact marketing messages to people at a narrow customer segment level,

is almost expected to be routinely applied as part of CRM programmes. In fact, such is the commonality between direct marketing and CRM that despite the criticisms highlighted earlier in this chapter about the current poor level of data-mining, it would seem almost impetuous for hotel chains embracing CRM not to include this process within in their operations.

One of the main challenges facing companies is how to create an environment that successfully nurtures and maintains long-term relationships with customers (Kandampully and Duddy, 1999b). Indeed, as discussed in Chapter One, not only is it increasingly difficult for companies to maintain their differential advantage, but arguably due to the ease of access of a wide choice of products and services, customers also seem less eager to maintain exclusive on-going patronage. According to Chattopadhyay (2001), these obstacles can be greatly reduced through the consideration of the customer relationship life cycle, a model that merges customer relationship management with the product life cycle. As the nature as well as the scope of the relationship between a customer and an organization changes over time, Chattopadhyay states that companies should learn to pay heed to this evolving relationship and optimize their relationship with customers accordingly.

The customer relationship life cycle consists of similar stages as the product life cycle. These consecutive stages are: development, introduction, growth, maturity and decline. While the development stage particularly involves prospects, the introduction stage relates to new guests. At this stage, companies should arguably attempt to learn more about the guest. For guests at the growth stage, companies should debatably support nurture them to create brand loyalty. At the maturity stage, companies should ideally find ways to maintain and increase the value of their products and services to that guest. At this stage, the hotel company should ideally make meaningful and personalised enhancements to its services and even products. During the decline stage, the hotel company should find ways to extend the relationship to retain patronage. In actual fact, according to Chattopadhyay (2001:137-138),

> the company's goal is to offer the customer appropriate products and services, and supporting functions during the entire customer relationship life cycle.

Furthermore, the company should also:

> find ways to move the customer smoothly through the cycle and bring the customer back to the initial awareness and evaluation phase for cross-sales, up-sales, upgrades and follow-on sales opportunities in a proactive manner that tracks the customer's market conditions.

For the customer relationship life cycle strategy to be effective, it is argued that companies must make the acquisition of information about customers not only continuous and consistent, but also a focus of operations and a priority throughout the organisation. Indeed, the role of the organization is arguably to orchestrate its resources and competencies to support the evolving needs of the customer along his or her personal customer relationship life cycle.

By following a different contention, whereby CRM is depicted as a combination of technology and business processes, which attempts to find out and understand who the customers are, what they do and to identify their likes and dislikes, Coulwell (1998) appears to implicitly support the argument that CRM can and do facilitate the understanding of the customer. Indeed, an understanding of customers in line with the dynamics of organizations is expected to not only help design systems, which meet customers' needs more effectively, but this balance is also highly likely to lead to stronger customer loyalty and lasting relationships. As the achievement of loyalty appears to be sought within the hotel industry (Tepeci, 1999; Palmer et al., 2000), several processes have been integrated into hotel operations in order to find out more about customers' needs and wants. Customer satisfaction surveys and customer service questionnaires are routinely distributed to guests in an attempt to improve operations and understand customers better. Within academia, mirroring the importance that is attributed to these dimensions with the hotel industry, the theme of customer satisfaction (Eccles and Durand, 1997b; Pizam and Ellis, 1999; Kandampully and Suhartanto, 2000), customer service (Teare, 1993; Eccles and Durand, 1997a; Paraskevas; 2001) and quality (Motwani et al., 1996; Ekinci et al., 1998; Zineldin, 2000b) are particularly well documented. In an attempt to indicate how these dimensions are linked, several academics have even concentrated on the linkages amongst these crucial variables (Adsit et al., 1996; Bloemer et al., 1999; Bowen and Chen; 2001).

Meanwhile, in describing CRM as "an enterprise-wide customer centric business model that must be built around the customer", Chen and Popovich (2003:682) arguably imply that when hotel chains embrace CRM, rather than keep customers at the end of the value chain (Jobber, 1998), hotel chains should instead put customers at the start of operations. As discussed in Chapter Two, this reversal of the direction of the traditional value chain means that companies will have to shift their CRM endeavours from a mass marketing perspective where customers are sought for products or services, to instead develop products and services, which are actually tailored to fit the needs of the company's targeted customers. Indeed, CRM appears to call for a reversal of some traditional processes. Furthermore, as anticipated by Prabhaker (2000), CRM seems to be increasingly shifting from revolving around customer-relationship-management to customer-managed relationships. Even though the various investments of hotel companies in technologies, strategies and even tactics, discussed throughout this chapter, arguably provide evidence that companies are trying their utmost to maintain control of CRM, it is suggested that the bargaining power of customers over CRM is nonetheless increasing. Thus, it becomes even more important that prior to engaging in CRM, hotel chains should endeavour to uncover which dimensions of CRM their targeted guests actually seek. Additionally, in order to ensure that their processes are being correctly implemented within their operations, hotel chains should arguably also seek to find out the latter's perceptions about CRM. Only then, it is argued would a unified and optimum CRM offering be possible.

SYNOPTIC OVERVIEW

Conscious efforts are generally required with regard to the embracing of a new concept. A triad combination of technology, people and processes can arguably enable hotel chains to not only implement CRM within their operations, but also reap the opportunities, which the concept can provide. Indeed, CRM can be a powerful tool in the quest for strengthening relationships with customers.

Technology has greatly enhanced the processes associated with the implementation, evaluation and monitoring of CRM. The internet has by all means driven CRM into a new era not only in terms of providing information and making sales, but also to access customers, gather data and even target campaigns. The importance of the database within CRM is unquestionable. Databases in fact represent the central tool of CRM within hotel chains. Indeed, hotel chains of all sizes appear to increasingly be developing and implementing database technologies. However, data mining processes have been flawed. Notwithstanding, hotel chains are increasingly working in partnership with specialist external agencies while the popularity of databases persists. Such partnerships are bound to enhance the inherent strengths of CRM.

Although technology has been crucial in the facilitation of CRM and has as such attracted much investment, the optimisation of CRM also requires the organisation of business processes as well as a thorough understanding of customers; the internal and external ones. Genuine adoption of CRM also means that companies need to address their own cultures and subcultures. In fact, companies are expected to not only continuously view their organisations from the customers' perspective but just as importantly, gear operations to actively involve customer feedback and changes. Additionally, as a concept, CRM appears to call for the consistent application of best practices in the business processes too. When these processes are consistently and continuously integrated, applied and monitored, it is expected that companies would be able to use their resources in terms of people, technology and processes to optimally achieve their CRM objectives.

Although as emphasised by Overell (2004:1), "generally the customer is still very much the king", as far as CRM is concerned, it is suggested that all bonds, whether internal or external, which may have an effect on the stability of relationships with customers, should be actively cultivated. Indeed, the nurturing of employees, the listening to one's customers and the crucial commitment of senior management are arguably not only integral to CRM in contemporary terms, but as Kelliher and Riley explain (2002:237), "for functional flexibility to stick in the long-term, it needs to become embedded in the organisation and to be supported by a web of sympathetic policies". Indeed, successful CRM does not just emerge or simply exist. As a matter of fact, it is suggested that the creation and establishing of successful customer relationships confront companies with a complex range of relationship and network management tasks above the ones, which is inherent to their traditional operations and structures.

However, prior to even engaging in the concept, it is proposed that companies must ensure that they understand what their target customers are looking for as far as CRM is concerned. Thereafter, companies should ensure that the elements, which are genuinely deemed important by their core customers, remain the focus of their CRM endeavours. In fact, it is contended that the optimisation of CRM requires not only the understanding of customers and the prescribed organisation of business processes but also an understanding of employees. Indeed, within the premise of this thesis, it is argued that employees, guests as well as the entire organisation are the building blocks of CRM. Accordingly, the perceptions of both employees and guests are considered just as important in the success of CRM within hotel operations. As such, as discussed in detail in Chapter Four and earlier in the Introduction, one of the primary aims of the fieldwork is to uncover perceptual differences.

CHAPTER FOUR

INTRODUCTION

This chapter outlines the processes conducted to implement the methodological approach adopted for this research study. Accordingly it encompasses the evaluation of the research approaches dominant in marketing, the selection of a research approach and research instruments for this thesis, and the actual conduction as well as evaluation of the primary and secondary research.

The research philosophies predominant in marketing research have been evaluated in order to determine which research approach is best suited to the aim and objectives of this thesis. Through a comparison of the main paradigmatic orientations, the ontological and epistemological assumptions of the positivist and the interpretivist approach have been reviewed. However, in order to maintain focus, only the aspects of these approaches, which are relevant to this research study, have been discussed in this chapter.

Based on the arguments about the characteristics and properties of positivism and interpretivism and the objectives of this thesis, a unique methodology has been chosen. Triangulation of research instruments, data and theories has been deemed necessary. The objectives of the two phases of the primary research are distinct. The quantitative research instrument, a standardised questionnaire, intends to help gauge which of the elements that academics have professed to be part of the CRM concept actually resonate with the guests and employees, and uncover how prevailing dimensions of CRM influence segments of respondents. Accordingly, perceptual differences are intended to be identified. The qualitative research instrument, the repertory interview, proposes to uncover the micro-reality of the respondents and ultimately lead to the refinement of the list of dimensions of CRM specifically tailored to the hotel industry.

The research design has been reviewed in detail. Accordingly, the conduction as well as the pilot testing of the first and second phases of the primary research and the associated research instruments have been described. The sampling procedures conducted for the fieldwork have also been discussed. An overview of the main issues surrounding the secondary research has also been offered.

Reflexivity has been an important step in the conduction of this research study. Thus, reliability and validity as well as ethical considerations have been discussed with the intention to not only identify the limitations of this research study but perhaps more importantly to highlight where improvements may be focused in future research studies on the topic.

THE ONTOLOGICAL, EPISTEMOLOGICAL AND METHODOLOGICAL ASSUMPTIONS OF THIS RESEARCH STUDY

Gummesson (2000:18) advocates that the concept of the paradigm, brought to the fore by Kuhn in the early 1960s, can be used to represent:

> people's value judgements, norms, standard, frames of reference, perspectives, ideologies, myths, theories, and approved procedures that govern their thinking and action.

Building upon Gummesson's standpoint, Mangan et al. (2004:566) contend that the effect of paradigms on research is in fact so extensive that "both the researchers' choice of methodology" and indeed "their approach to research is often (and sometimes unnecessarily bound) up with their paradigmatic preferences". As simply yet succinctly summarised by Saunders et al. (2003:83), the way in which a researcher thinks "about the development of knowledge affects, albeit unwittingly", the way in which that researcher engages in the conduction of research.

Various philosophical perspectives dominate literature surrounding the research process. In management research, these paradigmatic positions appear to often be discussed in terms of an antithesis between two schools of philosophy, which are generally referred to and loosely labelled as positivism and phenomenology (Hussey and Hooley, 1995). Although in essence these are different views about the way in which knowledge is developed and is judged as being acceptable, Saunders et al. (2003) argue that these approaches are in fact not completely mutually exclusive. Notwithstanding, as discussed throughout the following sections, within the academic environment the various types of research tend to be associated with specific objectives.

Since the late 1950s, traditional positivist paradigms have dominated research in marketing (Goulding, 1999). Nonetheless, in recent times there has been a notable increase in academic literature about the growing use of qualitative interpretive methodologies in marketing, in particular in the field of consumer behaviour (Chung and Alagaratnam, 2001). In brief, according to Goulding (1998:50), the traditional perceptions of market research, which emphasise objectivity, measurement and survey data collection methods as "the predominant basis for knowledge" are "being challenged". This has highlighted the division between researchers on the basis of methodological orientation. As emphatically summarised by Goulding (1999:859), this division could even be referred to as a "positivist/ interpretivist split". Notwithstanding, according to Szmigin and Foxall, (2000) and Mangan et al. (2004:566), the position of academics is not only solely influenced by their "paradigmatic preferences", but also by the specific aims of their research studies. Within this research study, rather than forthrightly favour either the positivism or interpretivism side of the split, the researcher has selected elements from these research approaches based on what is considered to work best for this thesis. Accordingly, as revealed later, a unique methodology has been constructed.

Several academics including Szmigin and Foxall (2000) and Chung and Alagaratnam (2001) have noted how the functionalist paradigm is deeply rooted in marketing. In an attempt to explicate the affiliation of marketers to the positivist approach, Hirschman (1986) contends that the traditional associations with economic criteria, such as profitability and cost efficiency, in conjunction with an emphasis on logistics and operations efficiency, initially led to positivist theories being favoured by marketing academics and researchers. Although such academics as Lutz (1989) and Chung and Alagaratnam (2001) advocate that there is an indication in academic literature that a more interpretive research philosophy is increasingly being embraced within marketing research, Hunt (1991) maintains that this approach has not been fully adopted within the field of marketing. The dominance of the positivist quantitative model approach is highlighted in independent studies conducted by Hirschman (1986) and Chung and Alagaratnam (2001) about the inclusion in academic journals of papers using interpretive methodologies. In spite of focusing on distinct time frames, Hirshman's review concentrates on the articles included in the Journal of Marketing over the previous three decades while Chung and Alagaratnam's review focuses on the articles published between 1970 and 1997 in a range of prominent journals within the marketing field, both sets of findings reveal that even though methodological philosophies rooted in interpretivism may appear to be gaining popularity, the traditionally positivist approach still prevails within marketing research.

Although Chung and Alagaratnam's survey (2001:231) indicates that "a definite trend towards alternative ontological (or at least epistemological) orientations" is being witnessed within the marketing field, they however also acknowledge that positivist methodologies are so rooted in marketing research that it may even be argued that the importance of the positivist methodologies far outweighs that of interpretivist methodologies. Notwithstanding the relevance of the positivist approach to the contemporary research aims, Szmigin and Foxall (2000) voice their surprise by the fact that in spite of the evolution in marketing thought over the past two decades in particular, the allegiance of marketing academics and the professional arena to the positivist approach still evidently persists. Thus, whether the embracing of interpretivism will ultimately lead to the paradigmatic shift discussed by Kuhn (1996) is yet to be fully witnessed within the marketing arena.

Shankar and Goulding's (2001:8) argument that "the positivist paradigm still dominates consumer research" leaves little doubt that the functionalist paradigm still informs much of marketing research. However, as argued by Zinkhan and Hirschheim (1992) the fact that marketing is a field, which is not only primarily concerned with interactions between buyers and sellers but whose primary focus is also said to be on consumer wants and needs implies that the social world is in fact where the truth about the dynamics of marketing actually lies. In order to ensure that the adequate and not merely the popular research approach is adopted in this thesis, the main research philosophies used within the marketing arena have been evaluated in line with the objectives set for this research study.

There appears to be a disparity in the actual use of the positivist and the interpretivist approach within research in marketing. Although such academics as Saunders et al. (2003) contend that the aims of a research study strongly influence the choice of approach, Mangan et al. (2004:568) are arguably the academics who best summarise the predominant use of the two types of research approach within marketing and the business environment when they contend that a positivist approach is "relevant for getting an overview" and "for considering the broad structure of decisions" whereas an interpretivist approach tends to be more useful for finding out information "at the micro-level". Albeit in accord with Mangan et al.'s (2004) standpoint, Szmigin and Foxall (2000) focus on one of the axiological assumptions about the interpretive and the positivist approach when they advocate that the central goal of the positivist researcher is to explain while the focus of the interpretive researcher is to understand. Indeed, as argued by Goulding (1998:50), interpretive methodologies are generally associated with the aims to "provide insights, reveal meaning and acknowledge the possibility of multiple answers to problems".

From the onset it has been the intention of the researcher to avoid any presumptuous binary polarity. In an attempt to evaluate the relevance of the two main research approaches to the aim and objectives of this thesis, interpretivism and positivism have been compared and contrasted in line with the themes, which Delanty (1997) classifies as the five key tenets of positivism. These are: Scientism, Naturalism, Empiricism, Value Freedom and Instrumental Knowledge.

Scientism implies that all phenomena can be reliably studied in one absolute structured, prescriptive and justifiable way in order to uncover predictive results (Delanty, 1997). Although it is recognized that respondents are by all means individuals in their own right and that they may indeed change (Thompson et al., 1989; Szmigin and Foxall, 2000; Bertrand and Fransoo, 2002), it is however maintained that patterns of behaviour common to specific segments of people exist. Accordingly, these can be explored in a structured way. As the identification of the influence of demographic features on perceptions and attitudes is an objective of this thesis, it was thus intended that perceptions would be explored in a structured way.

Chung and Alagaratnam (2001) are arguably the academics who best describe the divergent philosophical stances with regards to reality when they explain how the subjectivity favoured by interpretivism and the objectivity advocated by positivism can be placed at the opposite ends of a spectrum along a continuum. Positivists believe in one single objective reality, which is concrete, structured and ready to be studied (Shankar and Goulding, 2001) while interpretivists believe in the existence of different individual realities, which are constantly recreated. In fact, Hirschman (1986:238) advocates that "human beings construct multiple realities", which ideally "can be comprehended only as gestalts, that is holistically". These distinct notions of reality have had a strong influence on this research study as indeed it is understood how the gestalt of respondents' experience may by all means affect the way in which they view CRM. Within this thesis, although the individualism of the respondents is acknowledged, it is however argued that an objective reality underpins the subjective reality of all individuals.

Positivism prescribes that researchers must adopt the role of an objective analyst and that interpretations must be made from a detached standpoint. In contrast, as interpretivism implies that "the researcher and the phenomenon under study are actually interactive" (Hirschman, 1986:238), the interpretive researcher can neither "distance" himself or herself from the phenomenon under study nor "can the phenomenon be understood without the personal involvement of the researcher". Szmigin and Foxall (2000:188) state that researchers should learn to shift their approach from "the traditional scientific posture of personal distance and a priori theoretical structure" position if they wish to understand "consumers' experiences in their own terms". However, this implicit personal involvement raises two important issues in terms of reflexivity and reliability. It not only cannot be guaranteed that researchers are always able to adopt the same subjective position as their respondents, but it is even more unfathomable that a researcher would be able to relate to a respondent's standpoint with regard to phenomena, which the researcher may not have even remotely experienced personally (Goulding, 1999). Consequently, the researcher's lack of understanding may lead to the distortion of a respondent's reality. Thus, it has been deemed more valid and reliable for the researcher to retain the standpoint of a non-participant and neutral observer during this study. Moreover, the traditional scientific posture of personal distance has been deemed particularly important in view of Calder and Tybout's (1989) warning that researchers should be cautious about allowing themselves to express their personal sentiment during research as such an alignment and identification with the respondents or the research study may lead to a loss of objectivity and not much justice done to their research. Accordingly, Wallendorf and Brucks' (1993) and Gould's (1995) recommendation that researchers should continuously apply introspection or reflexivity has been considered an integral part of the research process.

Even though Kuhn (1996) emphasizes how most researchers somehow have an inherent degree of commitment, whether conscious or not, to existing modes of perception, beliefs, paradigms and even solutions to problems and that it is acknowledged that the researcher's personal values and experience may inevitably have had some influence on the choice of research topic and method, data is intended to be collected in a value-free manner and interpretations made from a detached and objective standpoint. However although caution has been applied to ensure that the researcher remains value-free, it could nonetheless not be guaranteed that the respondents who have partaken in the surveys and interviews have also remained completely value-free.

Naturalism reflects the viewpoint that any phenomenon that can be observed by means of scientific reasoning can therefore be rationally explained. According to Kuhn (1996:25), there are three normal foci for factual scientific investigation. While the first focus attempts to "increase accuracy and scope", the second focus seeks to "bring nature and theory in closer agreement". The third focus, identified by Kuhn as the most important, revolves around the articulation of paradigm theory in order to resolve some of its "residual ambiguities" and to enable the solution of problems, which have only been identified previously. Although he contends that "reformulations" of paradigms have "occurred repeatedly in all sciences", Kuhn nonetheless emphasizes that "more substantial changes" have resulted from "the empirical work aimed at paradigm articulation" (1996:33). Kuhn's third point is particularly important within the context of this thesis as it is in fact one of its objectives to rearticulate and reformulate the concept of CRM. As a matter of fact, as discussed in the Introduction and Conclusion, the most important contribution of this thesis to knowledge is intended to be the reformulation of the CRM concept in line with the dynamics of the hotel industry in order to offer a contemporary CRM model. Accordingly, the concept of CRM has been deconstructed and reconstructed to refine its parameters, eliminate its ambiguities and concretize its fundamental underpinnings in relation to the hotel industry.

Positivism prescribes that evidence should be sought from empirical research and should therefore emerge from a posteriori inductive reasoning rather than from only deductive logic. Within this thesis the concept of CRM is intended to be refined through inductive reasoning during the secondary research and consolidated by the empirical findings of the primary research in line with Bertrand and Fransoo's summary (2002:257) that:

> empirical scientific research tests and challenges the validity of theoretical models, and tests and challenges the usability and performance of the solutions of theoretical problems

Although Kuhn (1996:146) contends that:

> verification is like natural selection... it picks out the most viable among the actual alternatives in a particular historical situation,

Popper (1968) denies the existence of any verification procedures of discovery. Instead, Poppers' Critical Rationalism elucidates that knowledge is built not through the confirmation of occurrences and relationships, but rather through the revelation or uncovering of counter-instances. Thus, knowledge is said to be furthered not through confirmation or verification, but through falsification. As a matter of fact, Popper emphasises that only falsification can be considered to be empirically viable. Within marketing, the use of hypotheses, which observation or testing can prove or disprove, has routinely been associated with empirical studies. Accordingly, within this thesis, hypotheses of associations are to be tested during the analysis of the questionnaires in order to falsify independence between variables; thus giving grounding to this thesis as an example of empirical study.

Although Popper's theory of falsification may appear to be in complete disagreement with the verification properties advocated for by empiricism, Kuhn (1996:147) however contends that it is in fact

> in the joint verification-falsification process that the probabilist's comparison of theories plays a central role.

In essence, Kuhn (1996:147) argues that as this two-stage formulation has "the virtue of great verisimilitude", it may indeed enable researchers to attempt to explicate "the role of agreement (or disagreement) between fact and theory in the verification process". Within this thesis, although falsification has been used, verification is to be used to confirm the findings.

While positivism contends that science pursues technically useful knowledge, interpretivism asserts that "research inquiry is a social construction resulting from the subjective interaction" between a researcher and a phenomenon (Hirschman, 1986:238). Therefore, within interpretivist research "knowledge is subjectively attained" and constructed, and indeed "not discovered" or even pursued. An objective of the thesis being to offer a model of CRM indeed implies that knowledge has been pursued within this research study. Furthermore, the challenging of previous theories about CRM with the findings of the primary research, a process considered to be one of the main aims of the scientific approach (Calder and Tybout, 1987), is unquestionably a central process within this thesis.

Some fundamental differences between positivist and interpretivist methodologies centre on the sources of data and the use of literature to inform and locate the developed theory. According to Goulding (1998:51), while within phenomenological research "the words of the informants are considered the only valid source of data", within positivist research, theory that has already been developed generally directs the researcher to the constructs, which would best inform, explain and contextualise the findings. Within this thesis, as discussed later during the section on the primary research, while the elements used in the repertory grid utilised during the second phase of the fieldwork have been gathered from the answers of the respondents, the questions and categories of the questionnaire used in the first phase of the fieldwork have been based on the theories discussed during the critique of the literature. As a matter of fact, theories that have already been developed about Relationship Marketing and CRM have quintessentially guided this research study.

Szmigin and Foxall (2000:187) advocate that an important part of any research study is to consider how knowledge, which emanates from research can and should be evaluated. According to Remenyi et al. (1998:32), researchers favouring the type of approach favoured by positivism tend to prefer to work with "an observable social reality". Thus the end product of positivist research studies can be law-like generalisations. In spite of acknowledging that both the humanism or phenomenology and the positivist approaches recognise "generalisability", Heath (1992:107) nonetheless also maintains that "naturalists generalize more than do humanists". Generalisation is by all means also intended in this thesis.

THE RESEARCH DESIGN ADOPTED FOR THIS THESIS

The objective of this research study is to assess differential perceptions about CRM in order to specify which dimensions of CRM are relevant to the hotel industry. Although the researcher is supportive of the positivist approach, the concept of CRM within the hotel industry is considered far too complex to only be explored through the definite and almost rigid theoretical constructs, which a quantitative methodological approach entails. Indeed, in spite of agreeing that the complexity of CRM can by all means be constructively reduced to a series of categorisations, empirical examination and generalisations in line with some of the fundamental underpinnings of a positivist approach, it is however also acknowledged that some subjective insights may also be lost within an exclusive positivist discourse. In an attempt to counteract such limitation, a combination of positivist and interpretivist research methodologies has been deemed advisable. Although it is accepted that such integration would be difficult to achieve with reference to some dimensions such as reality and objectivity, it is however argued that these two distinct approaches can be abridged within this research study. Accordingly, even though the objectives of this research study geared the research more towards a positivist alignment, some dimensions of interpretivism have also been embraced.

Ozanne and Hudson (1989) describe positivism and interpretivism as two opposing views, which ultimately represent different approaches to reach an understanding about social beings and their world. Although as discussed in the previous sections, there are underlying conflicting dimensions between these two main approaches to research, they agree that a synthesis can indeed be found. Adopting a similar stance, several academics have testified to the possibility and the benefits to be derived from a triangulation of research approaches and methods. Such researchers as Ryan (1986) and Belk (1986) appeal for broader and less inclusive epistemologies whereby researchers are able to have recourse to a combination of different approaches and methodologies to achieve not only a greater level of understanding of the phenomena under study but also better results. Following a different line of discussion, by reflecting upon how each research method has inherent strengths and weaknesses, Scandura and Williams (2000) shed light on how the choice of research methodology ultimately directly affects and may even limit the conclusions drawn from a study. Counteracting the arguments that it is impossible to conduct an unflawed research study and that all research design choices involve trade-offs (McGrath cf. Scandura and Williams, 2000), Scandura and Williams (2000) thus advise researchers to use a variety of research methods to optimise the achievement of authentic results and to neutralize any flaw, which trade-offs may inadvertently provoke. The use of a variety of methods to study a phenomenon may result in more robust and reliable findings that in turn may lend themselves to more valid and reliable generalizations (Lancaster, 2005). Thereby, higher external validity can be achieved.

Triangulation can span beyond the selection between positivist and interpretive methodologies. In actual fact, not only can methodological approaches, within the same method or between alternative methods, be triangulated but so too can data. Data can for example be triangulated in terms of time, to determine whether a research study follows a longitudinal or cross-sectional timeframe, or even in terms of people, that is whether respondents are individuals or in fact represent different groups. While such academics as Scandura and Williams (2000) discuss how triangulation can be applied to many elements of research methods, including the purposes of measurement, research strategy, the settings for data collection (these affect external validity), data collection methods and even sources of data (single versus multiple), others such as Mangan et al. (2004) advocate that there are in fact four distinct types of triangulation. These are: investigator triangulation, data triangulation, methodological triangulation and triangulation of theories.

Piercy (2002:358) tersely summarises that:

> the research topic and its characteristics should shape methodological choices, not the other way round.

Although the theoretical merit of all four types of triangulation is attractive, the inclusion of only three of these has been deemed relevant to the research objectives. Investigator triangulation, which implies that different investigators independently collect data was forthrightly dismissed. Data triangulation, which implies that data is collected at different times or can also be gathered from different sources was applied within this research study in an attempt to offer a more comprehensive and wide perspective about the concept under study. Due to the limited coverage of the concept of CRM in literature focusing on the hotel industry, triangulation of theories, which entails theories being taken from one discipline to be used "to explain a phenomenon in another discipline" (Mangan et al. , 2004:569) has been extensively used during the critique of literature on Relationship Marketing and CRM. Methodological triangulation, which refers to the approach whereby both quantitative and qualitative techniques are employed, is considered of most importance to the epistemological assumptions of this research study. Accordingly, while a quantitative research instrument, a questionnaire *(see Appendix R)* has been used to enable the exploration of the objective reality, which surrounds the concept of CRM within the hotel industry, a qualitative technique, in the form of repertory interviews *(see Appendix S)*, was used to uncover the micro-reality of the respondents.

Several academics including Malhotra and Birks (2000), McDaniel and Gates (2004) and Lancaster (2005) testify to the unique attributes of both qualitative and quantitative research methods within marketing research. While qualitative research is associated with the facilitation of respondents to express their views and to reflect upon their opinions or attitudes, quantitative research appears to be linked with measurements, the exploration of relationships between variables and "analysis of quantities" (Johns and Lee-Ross, 1998:72). As such, quantitative research tends to be used to produce a large amount of numerical or statistical data that involves objective generalisations (Gill and Johnson, 1997; Hussey and Hussey, 1997; Jankowicz, 2000). Furthermore, while qualitative research is exploratory, quantitative research can span from description, to the generation of empirical relationships to even explanation and prediction (McDaniel and Gates, 2004; Lancaster, 2005).

With regards to this research study, the primordial function of the quantitative primary research is intended to uncover the perceptions of guests and employees about CRM and help understand which of the dimensions of CRM, which have been explored by academia actually resonate with hotel employees and guests within the hotel industry. Notwithstanding its numerous merits with respect to this research study, the weaknesses of quantitative research have also been assessed. Quantitative research can by no means be used "to present detailed descriptions that cannot be measured in a quantifiable manner" (Malhotra and Birks, 2000:157). It can also lead to lack of in-depth information (McDaniel and Gates, 2004; Lancaster, 2005). As the strength of qualitative methods has often been aligned with the collection of a great deal of in-depth information (Veal 1997, Wengraf 2001), it was thus considered that a qualitative instrument should be included in the research framework. However, as it reflects upon individual opinions, the tendency of qualitative research to be highly subjective has also been hailed as one of its greatest weaknesses (Gill and Jonson, 1991; Hussey and Hussey 1997). As a matter of fact, as Jankovicz (2000:174) emphatically summarises, "neither approach is best".

Thus, rather than exclusively use either a quantitative or a qualitative research instrument, a combination of research methods has been selected in order to optimise the achievement of the objectives of this research study and limit methodological shortcomings. A combination of research perspectives is also expected to afford a greater level of validity and reliability than tends to be enabled by a single method (Hussey and Hussey 1997). Consequently while a positivist and quantitative research instrument, in the form of a questionnaire, has been used during the first phase of the fieldwork, repertory interviews, arguably more aligned with a qualitative frame of enquiry, has been utilised during the second phase of the fieldwork.

The quantitative research instrument was not only intended to act as a precursor and facilitator of the qualitative study (Jankowicz, 2000), but both phases also served distinct purposes. Accordingly, while the questionnaire gathered an overview of the perceptions about CRM, the repertory interviews have been used to uncover the subjective constructs of the respondents about CRM. Subsequently, within this research study, the positivist approach is intended to help achieve the objective to capture the underlying systematic associations between variables. The interpretivist approach is instead intended to identify individual and shared meanings, which are expected to influence the reality of the respondents and the state of CRM in the hotel industry. Ultimately, a rounded perspective of CRM within the hotel industry is intended to be uncovered.

THE RESEARCH PROCESS

The Secondary Research

Although such academics as Creswell (2003) and Collis and Hussey (2003) have offered structures on how to plan a literature review, Szmigin and Foxall (2000:188) advocate that researchers should learn to shift their approach from "a priori theoretical structure" if they wish to understand "consumers' experiences in their own terms". The uncovering of ill-established dimensions of the concepts of Relationship Marketing and CRM throughout the secondary research led to the spasmodic exploration of a wide range of indirect links. In actual fact, a method similar to what is adopted when snowball sampling techniques are applied ensued. Accordingly, topics and sub-topics have been discussed based on what needed to be explored and what was deemed potentially useful and pertinent to the research angle as the critique of the literature progressed.

The outcome of this approach is two-fold. On one level, it arguably has led to an increase in the validity of the secondary research in the sense that the snowball sampling of the secondary sources and themes explored ensured that any a priori categorisation and premature choice of themes by the researcher are greatly reduced. Indeed, themes have been discussed based on their emerging relevance rather than the preconception of the researcher. This by all means is deemed to have enhanced the objectivity and validity of the secondary research. On another level, the researcher also had to apply restraints in order to maintain the focus on the actual research aim and objectives. In this sense, the researcher arguably had to at times deliberately impede the depth of the review of some topics. These topics have been highlighted in the section "Areas For Further Research" in the conclusion as the researcher indeed realises that as far as the coverage of these topics is concerned, there is still much room for development. However, as proceeding with the exploration of those topics would have arguably distracted from the actual purpose and objectives of the research study, those topics could not be discussed in more detail within this research.

Triangulation of theory has been applied during the secondary research. Accordingly, a wide array of literature from both commercial and academic sources was reviewed. Trade literature was deemed particularly important as it is generally accepted that the happenings and trends within the hotel industry tends to be covered more readily in such sources. However, the inclusion of academic perspectives both with regard to the hotel industry and theoretical concepts was also deemed crucial.

Some limitations were encountered whilst exploring the areas of Relationship Marketing and CRM within the hotel industry. Despite extensive coverage dedicated to guests, to employees and to strategy, as far as Relationship Marketing and CRM are concerned, there is still an obvious paucity of research material and data available. This has been attributed to the fact that these topics are still very new within the hotel industry and are as yet not fully understood as a concept. Consequently, a high proportion of the literature explored relates to business in general rather than the hotel industry specifically. Still, taking into account that the dynamics of CRM can be applied across businesses, in particular across service industries, this has been considered appropriate.

CRM, being by nature a relatively new topic, resulted in the research being based primarily on secondary literature, edited since the 1990s. Due to the relative novelty of the topic, articles and journals outweighed books in terms of sources for the secondary research. Although no outright decision was made to focus on Western schools of thoughts and perspectives, the literature review is build mostly around literary works of European or American origin.

Sampling Procedures for the Primary Research

The Hotel and Catering International Management Association, HCIMA, is a professional association for managers in the hospitality, leisure and tourism industries. It is an established and internationally recognized hospitality management organization. The sampling frame for the two phases of the fieldwork was obtained in the form of the UK listings of hotel groups from the directories published by the HCIMA on its website. Although it was noted that some hotel groups such as Red Carnation Hotels and Travelodge for instance are not featured in the directory, hence acknowledging the fact that this directory is not exhaustive, the fact that the directory provided an unbiased sampling frame favoured its usage over the other two sampling frames considered, namely the Confex 2006 Exhibition Directory and the Key Note report on Hotels (2005a).

The final sample of the hotel companies, within which the quantitative and the qualitative parts of the primary research would be conducted, was selected by using a random sampling method. The details of all the 107 hotel groups listed in the directory were reviewed and the hotel groups with no website address provided were eliminated. The next stage involved reviewing the websites of the remaining hotel groups. At this stage, the hotel groups with no hotel in London were removed from the sample. The resulting list consisted of 33 hotel companies *(see Appendix T)*. Although it was intended to conduct the quantitative fieldwork in only three hotels per hotel group, permission to conduct the fieldwork in all of the hotel groups randomly sampled could not be guaranteed. Indeed, with probability sampling, it is not possible to know beforehand how many targeted hotels would agree to participate in the study. Subsequently, only hotel groups with at least five hotels in London were kept in the sample *(see Appendix U)*. The 13 hotel companies left were randomly selected on the basis of every other hotel group listed *(see Appendix U)*. Seven hotel companies were thus selected. These were: Accor, Choice Hotels Europe Plc, Imperial London Hotels, Jurys Doyle Hotel Group Plc, Premier Travel Inn, Ramada International and Thistle Hotels. However, two hotel groups, Imperial London Hotels and Jurys Doyle Hotel Group Plc, refused to participate in the research study because it is part of their company policy not to partake in external studies. This was however not deemed problematic to the study as the type of hotel and operations of these hotel companies were represented in the final sample.

A combination of sampling methods was used to select respondents for the first phase of the fieldwork. It was initially intended that the stratified sampling technique of random sampling would be used for the selection of hotel employees. Employees would have been broken down into mutually exclusive groups based on the departments within which they work. Simple random sampling would then have been applied. The same processes, which were followed to obtain the final sample of hotel companies within which the primary research would be conducted, as described above, would have been followed to select the final sample of employees from each department. Accordingly the number of respondents from each department would have been directly proportional to the percentage of labour force which this department represents within the total labour force of that hotel. The division of labour within the hotels would therefore have been respected and represented. However, three factors steered the researcher away from this sampling method. During the pilot study, it was uncovered that even though they sometimes recognise the input of some of the back of house employees, in particular of the housekeeping staff, guests primordially associate CRM with customer facing employees. In fact, hotel employees also indicated that they believe customer facing employees to have much more influence on CRM than back of house staff even though they also acknowledged that the latter by all means help ensure that the facilities are provided. For instance the housekeeping staff may have little contact with the guests but as they ensure that the bedrooms are clean and meet the standards expected, they do in fact indirectly contribute to CRM. As discussed in Chapter Three, this standpoint is also supported by academics. Subsequently, although stratified random sampling would have ensured that not only would the overall employee base be fully represented, but also particular key subgroups of various departments, such as the Room Service section of the Food and Beverage department, it was ultimately decided that a purposive sampling method would be more in line not only with the topic under study, but also with the context under study. As such focus was laid on the sampling of employees from management and Front of House departments, such as Front Office and Food and Beverage.

Although it was noted that non-random sampling methods are by no means as objective as random probability methods and that, as addressed in the Conclusion, the non-random sampling methods neither validly nor reliably allow generalisations and predictions to be made, these were however deemed more feasible within the context in which the primary research was to be conducted. Furthermore, these methods were deemed aligned to the distinct objectives set for the two phases of the primary research. Accordingly, a combination of non-random sampling methods, namely convenience sampling, purposive sampling and quota sampling, were applied.

Although it could indeed be argued that as a method, convenience sampling provides no evidence that the sampling frame is fully representative of the general population, this non-probability sampling method was nonetheless deemed particularly attractive for the sampling of guests. Accordingly, for both the questionnaires and the interviews, guests were selected based on their accessibility and willingness to participate in the research study.

Purposive Sampling, another non-probability sampling method, which refers to the method whereby a sample is selected with a specific purpose in mind, was also relevant to selection of guests. Initially it was intended to seek out specific pre-determined groups of guests, namely leisure guests and business guests, as in the hotel industry guests are divided into these two main categories. Furthermore, surveys on the hotel sector traditionally differentiate between leisure and business customers. However, due consideration was given to the fact that this sampling method may favour more prominent subgroups or subgroups, which are more readily accessible.

A structured approach was taken in order to optimise the benefits of adopting the various types of sampling methods selected for the primary research. With regard to both guests and employees, target populations were defined and the relevant dimensions of the various populations were brainstormed. It was thus decided that respondents should include both leisure customers and business customers while hotel employees will be employed mainly within front of house areas, such as Reception, Food and Beverage outlets and management. Although it was initially deemed pertinent to decide key proportions within each segment, the fact that the sample frame could not be forthrightly established led to this not being done. In fact, as hotel employees tend to work according to shift, no guarantee could have been made about the accessibility of the pre-determined number of employees at the time of the survey. Access to employees was also dependent on how busy operations would be. Additionally, the hoteliers could not determine how many leisure guests and business guests would be in house during the conduction of the survey. Hence, the selection approach based primarily on the accessibility and willingness of the respondents to participate was justified.

Quota Sampling, which involves selecting a sample non-randomly according to a fixed quota, in this case twenty-five guests and twenty-five employees per hotel unit, was initially applied for the sampling of both guests and employees during the first phase of the fieldwork. It was intended that the quota controls would be monitored in terms of numbers as opposed to any other prior classification of the population or criterion. This number was selected with regard to the fact that within budget hotels the number of employees is kept to a minimum. Indeed, budget hotel chains are known to have a skeleton staff structure in comparison to full service hotel companies. As two budget hotel chains, namely Choice Hotels and Premier Travel Inn were included in the final sample, this factor had to be considered. For the second phase of the fieldwork, five guests and five employees were intended to be interviewed per hotel. As it was proposed that 100 interviews would be conducted, only 2 hotels were intended be used from each of the 5 hotel chains. Notwithstanding, during the actual conduction of the fieldwork, a combination of purposive and convenience sampling also prevailed. Indeed, the number of responses gathered per hotel unit was directly linked to the actual willingness and accessibility of potential respondents as well as the availability of the employees.

There is inevitably an amount of uncertainly built in the selection of any sample. Although this random error cannot be completely erased, the fact that the sample frame for the hotel companies was deemed to have been unbiased increased its validity. It cannot be denied that probability sampling methods would have enhanced the validity of the sample, the context and operational dynamics of the hotel industry did not allow for such sampling methods. Hence, the methods pursued with regards to the sampling of respondents have been deemed valid and reliable. Moreover, notwithstanding concerns, which may surround the sampling of the respondents, in particular of guests, it is nonetheless argued that the samples achieved for the first phase and the second phase of the fieldwork have not only been large enough for the respective research instruments used, but just as importantly, even though the findings could not validly be used to make generalisations, they are by all means representative of the general populations. As such, the samples are deemed reliable and valid for the analyses conducted in Chapters Five and Seven. Furthermore, the list of dimensions of CRM, which they ultimately helped uncover, is not only deemed valid to the hotel industry but also reliable as it indeed emerged from a scientific investigation.

Phase One of the Primary Research

<u>The applicability and conduction of the survey</u>

Based on its popularity in research studies within both marketing and the hotel industry (Min et al., 2002; Juwaheer, 2004), a standardised questionnaire was deemed to be the most appropriate method to collecting the type of data, which this research study aimed to gather about perceptions *(see Appendix R)*. The questionnaire was also deemed to be the most straightforward research instrument and the most cost effective. Both hotel employees and guests were to be included in the research study as based on the discussions conducted in Chapter One, Two and Three, it is strongly believed that both parties are crucial to how successful CRM is within a hotel chain.

In the light of difficulties encountered with postal questionnaires during previous research studies within the hotel industry (Lancaster and Luck, 2003), the researcher initially opted to administer the questionnaires to the respondents face to face. However, the pilot study uncovered that a self-administered format would be more valid in terms of possibly revealing the perceptions of the respondents and would enhance the reliability of the content of the questionnaire. Subsequently, a self administered format was adopted for the main survey.

The way in which the fieldwork was conducted was based on a variety of factors. As cost played an important role, the researcher conducted the survey on the premises of the hotels sampled. As the response rate was considered even more important, instead of leaving questionnaires with reception staff to hand to potential respondents or leaving these in guests' bedrooms and in employees' canteens, the researcher opted to approach potential respondents in person. This method was expected to yield the response numbers sought. In fact, during the survey when a targeted guest or employee was unwilling to participate, the researcher simply approached another guest or employee. Consequently, the predetermined number of responses per hotel unit as agreed with the various hotel general managers or operations managers was duly and purposefully achieved.

The design of the questionnaire

The ultimate objective of the standardised questionnaire used in the survey was to uncover the perceptions of the respondents and to also gauge to what extent dimensions of CRM actually resonate with the respondents. Accordingly, as discussed in Chapter Five, the exploration of independency was central to the analysis.

Prior to designing the questionnaire, the researcher determined exactly what kind of information would be required. Accordingly, the research purpose and research objectives, identified in the Introduction, were scrutinised. This step was also conducted to ascertain that only the most appropriate questions would be included in the questionnaire. Indeed, the extent to which the questions address the research purpose and objectives was deemed critical to the success of the research study as a lack of close connection to these would have unquestionably resulted in the gathering of unsuitable data; an all too often occurrence within research and indeed something which several academics warn about (McDaniel and Gates, 2004; Lancaster, 2005). In an attempt to reduce if not altogether eliminate the risk of collecting the wrong type of information, questions were thus systematically developed in line with the purpose and objectives of the research study as well as the various themes discussed throughout the critique of the literature in Chapter One, Two and Three. The prevailing categories encompassed within current databases used in the hotel industry directly influenced the demographics and categories included in the section about the profile of the respondents. Similar demographic characteristics were sought alongside the questionnaire and alongside the repertory interview *(see Appendix R and Appendix S)*.

Although the questionnaire was deemed the most suitable research instrument to illustrate the differential perceptions of guests and employees quantitatively, it cannot be ignored they were not the best means to gather detailed responses as a priori categories had to be imposed throughout the questionnaire. As discussed under Reliability and Validity, the categorisation, which the options inevitable reflected, may arguably also have led to some respondents being influenced in their answers and thereby inadvertently resulted in the limitation or even distortion of their response. However, as these categories were directly moulded from the various factors, notions, models and theories discussed by academics with respect to the concept of CRM during Chapters One, Two and Three, their relevance within the research study is validated.

On account of the plausible aversion of respondents, guests and employees alike, to lengthy and probing questionnaires, special care was taken to devise a well-structured and detailed questionnaire, which would limit, if not eliminate, the request for sensitive information. Care was also taken to allow for the expression of the respondents' points of view. Accordingly, a combination of structured and semi-structured formats was used (Gillham, 2004). Special care was also taken to ensure that no question was either loaded with mixed messages or even implied a given state of affairs or indeed even pre-suppose a situation. Indeed, the posing of questions was intended to be neutral.

The questionnaire included simple closed questions, multiple choice questions and some open questions. The latter was intended to allow for a more cognitively involved feedback from the respondents. While dichotomous questions and nominal questions were used mostly during the first and second sections of the questionnaire, ordinal (ranking), itemised-scale and filter questions were only used in the last section. As discussed later in the section on Reliability and Validity, the type of information and data being sought strongly influenced the type of scale used. As such, rather than feature the generally recommended seven-point scale (McDaniel and Gates, 2004) or even the favoured five-point scale, only three-point scales and four-point scales were used. Despite the fact that such a limited scale may be questionable in terms of accuracy, as emphasised in Chapter Five, these were considered suitable for the level of exploration sought by this research study

Multiple choice questions were deemed the most useful type of questions for this survey not only due to the general consensus that they are arguably the easiest for respondents to answer, but also due to the ease with which they can be analysed. Care was however taken to ensure that the options offered were mutually exclusive so as to limit any ambiguity in the mind of the respondents. It was also crucial not only for the options to reflect a degree of homogeneity, but also for the questions and options to incorporate a sufficient degree of variation to allow for the discussions, which are intended in Chapter

Six. It was indeed noted that if variation is overly minimised, then statistical analysis will be of no pertinent use. Thus, with regard to the closed questions, there was only one correct or appropriate option for the respondent to select. Furthermore, special care was taken to ensure that each question fitted the format of the single question. Although it was taken into consideration that the categorisation imposed by the format of close questions and multiple choice questions may limit the scope of the responses, it was deemed that individual box filling would not only be easier for respondents to understand but perhaps even more importantly be ideal for statistical and quantitative analysis. However, as discussed under Reliability and Validity, due consideration was given to the fact that categorisation and multiple options may create false opinions. However, the fact that they also do not discriminate between the less talkative and less articulate or expressive led to closed-questions being used.

The use of open-ended questions was deliberately limited within this questionnaire due to four main reasons. Firstly, it was considered that respondents' inaptitude, lack of enthusiasm about the topic of CRM or even shyness might have been acerbated by this type of question. Consequently, the resulting data would have been negatively affected. Secondly, this caution helped reduce, if not eliminate, the possibility of guests reflecting on dimensions and concerns, which were not intended to be addressed by this research study. Although the latter point in essence might lead to criticisms with regard to the validity of the choices included, the fact that the latter encapsulated the perspectives and approaches of academics and practitioners reviewed during the critique of the literature was expected to counteract the disadvantages of the a priori categorisation. Thirdly, it potentially reduced, if not completely suppressed, the disparity, which could have arisen in responses due the difference in level of proficiency in the English language or even in the level of literacy of individual respondents. Fourthly, it was anticipated that some responses to open questions may not lend themselves easily to the quantitative analysis intended.

The flow of the questionnaire was deemed particularly important to the cognitive process of the respondents. Attention was paid to the specific overall design, layout and presentation of the questionnaire. Thus, while introductions were used when need be, a transition was used when switching from one category of questions to another. This was done in order to encourage respondents to think in an organised manner. The questions were grouped in three areas: demographics, what respondents believe to be true or false and what respondents think is desirable. Although it was initially considered relevant to dedicate a section of the questionnaire to behaviour in order to find out what the respondents actually do in practice as far as CRM is concerned, the fact that all too often there is a disparity between what respondents say they do and what they actually do (Solomon et al., 2002), led to this section being omitted.

The placement of questions within the questionnaire was not only intended to facilitate a smooth flow but was also directly linked to the level of thought process and input required. As such questions involving a more pronounced cognitive process were deliberately placed in the second half of the questionnaire. This was also done in order to allow for the building of some degree of comfort or rapport between the respondent and the research theme prior to the former having to answer more reflective questions. Consequently, the questionnaire started with more straight forward non-threatening questions which concentrate on demographics. Due consideration was also given to whether an answer might be influenced by prior questions or options.

The aim of the questions was to help identify perceptions. As such, it was intended that respondents would not feel threatened by any unnecessary intrusion. This factor was deemed even more relevant to employees. Indeed, during the pilot study, concern about the consequences of responding and even about who would have access to their points of view had been voiced. Therefore, after the pilot study, some subjective questions such as for instance "what do you think this hotel is doing?" and "what is your level of education?" were removed. Indeed, some questions were re-designed so as to limit the possibility of respondents giving biased or even forthrightly untrue responses. The choice of question type and the format of the questions were also reviewed. In fact, based upon the findings of the pilot study, some questions were altered whist others were altogether eliminated. The appropriateness of the wording of the questions was deemed crucial.

Accordingly, in an attempt to minimize, if not completely eliminate, any ambiguity, and maximise understanding, the use of business and marketing terminology and jargon was limited. After the pilot study, the researcher simplified some of the questions and options based on the number of requests for further explanation during the administration of the questionnaire during the pilot study.

The Pilot Study of the Standardised Questionnaire

A pilot study was deemed advisable in order to test the suitability and applicability of the questionnaire as well as to obtain feedback from a number of respondents. The population for the pilot study was intended to be similar in characteristics to the population of the planned survey (Malhotra and Birks, 1999). As such, an equal number of employees and guests were surveyed.

Before executing the pilot study, two sets of pre-tests were conducted to make sure that the questions were clear and meaningful to the research purpose and research objectives. These pre-tests were performed in two stages: academics' review and practitioners' review. Accordingly, three academics, two hotel managers and a manager of a cluster of 3 London hotels reviewed the first and second draft of the questionnaire. Both stages were satisfactorily completed and the feedback integrated within the questionnaire to be used for the pilot study.

The pilot study for the questionnaire was conducted at the Putney Premier Travel Inn. The hotel also participated in the main survey. In line with Malhotra and Birk's (1999:336) contention that "ordinarily the pilot-test sample size is small varying from 15 to 30 respondents", a questionnaire was administered to ten hotel employees and ten guests *(see Appendix V)*. 20 responses were deemed to represent a significant percentage of the total number of responses sought for the main study.
The objectives of the pilot study were to check the distribution of the questions as well as the inclusion, wording and relevancy of the various categories and variables. Although it was initially intended for the test questionnaire to be standardised, in effect two slightly

different questionnaires were used. For fifty percent of the sample for the pilot study, namely for ten respondents including five employees and five guests, a 4 point Likert scale for questions 13 and 18 was used and for the other fifty percent of the sample, a 3 point Likert scale was used. By offering a 4 point scale, the intention was to force positive or negative feelings, because the middle or neutral emotion or any opt out clause was no longer available. However, this may not necessarily have engendered a realistic outcome or even be the right scale for such questions because in reality, quite often people may not have such strong opinions or may indeed not have any opinion at all.

The main aims of the pilot study were to test run the questionnaire on the respondents as well as find out how the questionnaire could be ultimately improved for the main quantitative research. Based on the feedback from the guests and employees, and the observations of the researcher during the conduction of the pilot study, as discussed in the previous section, the questionnaire was reviewed for the main survey. Accordingly, while some questions and options were rephrased, some questions were altogether removed. Other options were re-categorised. Sensitive question, reflecting for instance the income level of the guests and employees were deliberately omitted from the survey, including the pilot study. However, although the pilot study enquired about the level of education, the evident discomfort of some guests and employees engendered by this question led it being removed for the main study.

Phase Two of the Primary Research

<u>The fundamental underpinnings of the repertory grid method</u>

Kelly's (1955) theory of construction systems posits that people look at their world through a set of "transparent patterns or templates". Accordingly, it is thought that people make sense of their world by continually interpreting the events around them through a set of these constructs. Although it would be plausible to argue that the world can create and impose certain constructs on individuals, Kelly (1955) and Coshall (2000) both insist that it is the individuals who create their templates rather than the world that creates these for them. In practice individuals are said to try to fit these personal templates or patterns or constructs, over the realities of which the world is composed and which indeed makes up their environment.

According to Caldwell and Coshall (2002:385), constructs represent:

> the individuals' personal interpretations and assessment of the environment around them and with which they interact.

Hannabus (1996) advocates that: "human beings tend to impose meaningful order on the complexity of experience". Thereby, names are given to things and objects, which are encountered in the real world, and are categorized in order to fit "new understandings into conceptual frameworks of prior meaning" (Hannabus, 1996:7). According to Senior (1997:34):

> as part of their thinking about the world in general and particular aspects of it, all individuals carry a "repertory" of mental constructs – their personal constructs through which they order their thoughts and experiences and make sense of what is happening to them at any given time.

Thus, in layman terms, constructs are simply akin to an individual's personal interpretations.

The interpretations of one's environment can be placed on people, objects or even events (Coshall, 1991; Caldwell and Coshall, 2002). Accordingly, Kelly (1955) argues that constructs can indeed allow a person to plan any course of behaviour, whether the latter is only comprehensively thought out or actually acted upon. Although Kelly (1955) argues that the fit is not always adequate, he nonetheless maintains that without such a fit, albeit inadequate, people will simply be unable to make any sense of the world surrounding them. As a matter of fact, Kelly argues that "even a poor fit is more helpful … than nothing at all" (1955:8-9). Quintessentially then, even though they may not always be absolutely true, patterns, templates or constructs are indeed akin to ways of interpreting the world. In their attempts to discern their environment, individuals focus on how objects and events can be replicated. These replications are said to be derived from an individual's own ability to construe important similarities. These similarities are in turn what enable further "anticipation and prediction" (Coshall, 1991:354).

Kelly (1955) contends that constructs are finite in number and are inherently bipolar in nature. Moreover, each construct has a contrast associated with it. However, according to Caldwell and Coshall (2002:385), "the construct-contrast pairs are not simply polar or semantic opposites". Instead, these construct-contrast pairs, as opposed to being simply or even necessarily grammatical opposites, reflect how an individual views a specific world. Even though the bipolarity of constructs is significant with the Personal Construct Theory, according to Coshall (1991:354) "similarity and difference become inseparable". As a matter of fact, in a later study Coshall (2000:86) explicates this contention further when he advocates that "each construct-contrast pair constitutes one basic dimension of cognitive appraisal of the environment". According to Marsden and Littler (2000), the focus of Personal Construct Theory on bipolar constructs can not only help to understand the process of meaning construction but bipolar constructs can also help organise individual constructs as well as shared meaning systems.

Several academics including Coshall (2000:88) argue that "a personal construct tends not to exist in isolation". In fact, it has even been argued that a construct is "frequently associated with other constructs that reflect a similar meaning" (2000:88). Indeed, according to Kelly, constructs are "sometimes organised into systems, groups of constructs which embody subordinate and superordinate relationships" (1955:12). Building upon his standpoint that constructs do not exist in isolation Coshall (1991:354) argues that clusters of constructs are in fact needed in order for "the whole meaning structure of an environment" to be understood by the person who is encountering it. However, even though according to Coshall (1991:354) "high interrelationships" may exist within a cluster of constructs, he also clarifies how there are nonetheless "relatively few links" among construct subsystems. Meanwhile, even though, it may be tempting to consider that each event is aligned to one system, Kelly (1955:12) argues that "the same events can often be viewed in the light of two or more systems".

Several academics including Solomon et al. (2002) discuss how the way in which an individual thinks has a different effect on his or her actual behaviour. Thus, according to Plank and Greene (1996:29), "since an individual's cognitive style translates into the person's resulting behaviour, knowledge of an individual's construct system provides a basis for predicting different behaviour within various social contexts". Such a contention is particularly pertinent to the ultimate aim of this research study. As indeed, it is intended that the uncovering of customers genuine perceptions and linkages would ultimately enable hoteliers to develop dimensions of CRM and programmes, which would not only be particularly relevant to the hotel industry but also be attractive to their targeted customers.

Coshall's contention that "the existence of construct subsystems is implicit in many studies of cognition" (1991:354) heightens the relevance of construct subsystems to this research study. However, while Kelly advocates that "practical systems have particular foci and limited ranges of convenience" (1955:12), Senior further stipulates that "different sets of constructs are used in different situations" (1997:34).

Even though Kelly emphasises that a unified system of constructs simply does not exist, he nonetheless maintains that "miniature systems" do (1955:10). Furthermore, in discussing the occurrence and applicability of miniature systems, Kelly (1955:9) further postulates that:

> certain widely shared or public construction systems are designed primarily to fit special fields or realms of facts.

In line with this standpoint, a range of constructs are arguably specifically relevant to certain fields and are used by individuals accordingly within these realms. Such an argument may indeed lead to the forthright assumption that such a miniature system also exists for the field of the hotel industry. Accordingly, it is indeed a miniature subsystem, which the list of dimensions of CRM to be offered by this thesis as contribution to knowledge, that is ultimately sought. In this essence, the objective of the second phase of the fieldwork is thus two-fold. While on one level, the repertory grids are intended to identify the constructs of internal and external customers, on another level, albeit secondary level, it is expected that the summary and analysis of the data gathered will ultimately reveal whether a miniature system in fact exists for the hotel industry.

Notwithstanding, although Kelly (1955) appears to emphasise that each system has its own meaning, at the same time however, he also recommends that the limited range of convenience of miniature systems should be recognised. Indeed, one should:

> recognise that what is reasonably true within a limited range is not necessarily quite so true outside that range" (1955:11)

Indeed, according to Kelly (1955:11),

> not only do systems, psychological and otherwise, tend to have limited ranges of convenience, but they also have foci of convenience.

As such,

> there are points within its realm of events where a system or a theory tends to work best (Kelly, 1955:11).

Such a contention by all means strengthens Senior's argument that "a particular set of constructs… may have a limited life" (1997:39). Indeed, as emphasised in the Conclusion, it is believed that the list of CRM dimensions offered can indeed only be temporal. It is thus tentatively posited that even though it is anticipated that a range of constructs and a list of dimensions, or indeed a miniature system, would be uncovered through the analysis of the repertory grids, it is nonetheless also taken into consideration that there is a strong possibility that these dimensions may change with time and as the dynamics of the industry and even of the concept change.

<u>The relevance and applicability of the repertory grid method to research studies in marketing</u>

According to Easterby-Smith et al. (1996:7), the Repertory Grid Method has not only been successfully used as a tool in the design, delivery and evaluation of management interventions but,

> more recently applications have been produced in a variety of business related areas such as strategic decision making, consumer relationship, expert systems and even competence development.

Meanwhile, as the Repertory Grid Approach is considered to be "couched in well-tested psychological theory" (Coshall, 2000:85), it has been used in research studies revolving around the elicitation of image attributes. Thus, this technique is considered particularly aligned to the research study's objective to uncover differential perceptions about CRM in the hotel industry.

Even though the studies conducted in different fields shed light on the versatility of the method (Whyte and Bytheway, 1996; Kupiec and Revell, 2001; Hankinson, 2005), several extensive searches of the literature revealed that the Repertory Grid Method is in fact hardly used within research on the hotel industry. As a matter of fact, despite its acknowledged potential for tourism studies (Coshall, 1988; 2000; Hankinson, 2004), only one research study based in the hotel industry was uncovered. In that study, Huyton and Ingold (1999) use repertory grids to examine the perceptions of Chinese hotel employees about the various elements of vocational education associated with the Chinese Hotel Industry. Reflecting upon a different field of study, albeit dated as a source, it has also been advocated that "personal construct psychology theory has received relatively little attention in marketing" (Plank and Greene, 1996:29). Indeed, as argued by Marsden and Littler (2000:816) "further consideration of construct theory in the marketing sphere is called for". The obvious lack of usage of this research instrument within the hotel industry was considered to tie in with the research objective to contribute to the advancement of knowledge. But even more importantly, the inherent characteristics and dynamics of the Repertory Grid Method are perfectly aligned to the objectives set for phase two of the fieldwork.

<u>The rationale for selecting the repertory grid method</u>

Bias is inherent in the alternative methods used within consumer research (Coshall, 2000). While bias can by all means be integral to the research approach itself, it can also be caused by the researcher. Several academics have discussed how as an approach, The Repertory Grid Method avoids such bias. While Coshall's (2000) argument revolves around how alternative methods tend to pre-specify study attributes, Caldwell and Coshall (2002:385) explicate how this method allows respondents to express their own personal constructs of their environment with "a minimum of interviewer bias". Whyte and Bytheway (1996:80) further explain that:

> a particular strength of the repertory grid technique is that it allows the elicitation of perceptions without researcher interference or bias.

Following the same vein of thought Easterby-Smith et al. (1996:6) argue that:

> most importantly, the grid provides a representation of the individual's own world;

it is not a model imposed by an outsider.

Indeed, as summarised by Hankinson (2004:8):

> the repertory grid technique … seeks to uncover how respondents view the world while placing as few constraints as possible on the way they communicate their views.

Even though a non biased technique was greatly favoured, the "semi-structured technique" (Caldwell and Coshall, 2002:385) associated with the method, rather than the total lack of pre-specified study attributes, was considered attractive. Indeed, although care was taken to ensure that the questionnaire used during the first phase of the fieldwork was within the confines of an empirical and scientific study, much was still imposed upon the respondents. Subsequently, it was deemed imperative that as little imposition as possible be put on the respondents during the second phase of the fieldwork. However as the approach had to also be adequate for an empirical study, some structure was also sought.

An objective of this research study is to identify the facets of the image, which guests and employees have about CRM. According to Coshall (2000) in contrast to other methods predominantly used in research studies about image, the repertory grid approach enables respondents to reveal their real and individual personal constructions of the environment. As discussed later in this chapter, by not imposing any predetermined characteristic that may or may not be of relevance to all the interviewees, the Repertory Grid Method not only allows individuals to use language, which they deem fit to describe what is relevant to them, but perhaps just as importantly respondents are also allowed "to set their own parameters within their own meaning systems" (Coshall, 2000:85).

Several academics discuss how the Repertory Grid Method allows respondents the freedom to express themselves. While Fransella and Bannister (1977) and Hankinson (2005) discuss how the technique enables the interviewer to identify the attributes, which a respondent uses to describe the elements while putting few restraints on the way in which these views are communicated, others such as Caldwell and Coshall (2002:386) explicate how the responses gathered are certainly "the words of the interviewee and reflect that individual's way of construing the world". Given that respondents generate their own personal constructs, Marsden and Littler (2000) even consider this method to idiographic. Repertory grids have even been said to not only enable the assessment of respondents' current situations and perceptions but it has also been argued by such academics as Fransella and Bannister (1977) and Mitchell and Kiral (1998) that they may also help achieve the uncovering and ultimate understanding of respondents' concerns too. In brief, standpoints that the repertory grid approach is "more likely to extract cognitive images that are relevant to the consumer and congruent with ensuing choice behaviour" (Caldwell and Coshall, 2002:389) strengthens this instrument's relevance to the objective to uncover differential perceptions.

The Repertory Grid Method is aligned to the key tenets of Kelly's (1955) original theory from not only a statistical but also from a pedagogic and methodological standpoint (Coshall, 1991). Even though such academics as Coshall acknowledge that Kelly probably considered this research instrument within "a more humanistic framework" (1991:354), other academics including Fransella and Bannister (1977) and Marsden and Littler (2000) shed light on how repertory grids have increasingly been aligned to the dominant positivist paradigm within consumer research. Given that albeit recognising the increased relevant and acceptable use of interpretive approaches within research studies in marketing and in the hotel industry, this research study still maintains a positivist position. Thus such an epistemological alignment has by all means strengthened the use of this research instrument. However, as this technique has been used along interviews in this research study, a qualitative dimension has also been achieved.

Marsden and Littler (2000:829) advocate that at the methodological level the Repertory Grid Method can "produce a more holistic picture of consumer experience" as the identification of the categories, which consumers use to group different products and services, are enabled. Furthermore, this method also allows for these categories to be reviewed at the same time instead of treating them separately as they tend to be in surveys or questionnaires. Linking mechanisms, the various ways in which elements and constructs are linked (Easterby-Smith et al., 1996), or in other words the linkages among attributes, are according to Darian et al. (2001) the premise upon which the repertory grid is built. Accordingly, this instrument is a means to uncover how perceptions about CRM are linked to the dimensions usually associated with the dynamics and operations of the hotel industry.

The Repertory Grid Method can elicit a variety of constructs, whether cognitive, affective and conative, from different levels of psychological abstraction (Marsden and Littler, 2000). These can relate to beliefs or even values. According to Caldwell and Coshall (2002:385), constructs represent "the individuals' personal interpretations and assessment of the environment around them and with which they interact". The contention that the perceptions of guests and employees could be gathered from multi levels of thought processes was a further strength of the research instrument. Indeed, following this standpoint, not only could customers' thoughts and feelings be assessed but so to could their potential behaviour patterns. This anticipated casting of a wide net over the dimensions of a respondent construct system was indeed attractive.

From the onset it was deemed crucial that data would be gathered with not only information gathering in mind but also with analysis in mind. Caldwell and Coshall (2002:383) highlight how the repertory grid method not only allows for the acquiring of data, which is "rich in terms of concepts", but which is "also malleable in terms of statistical analysis". As detailed in Chapter Seven, the data gathered in the repertory grids was indeed analysed in depth. However, even though the application of the method started as a qualitative instrument, as discussed in Chapter Seven and Eight, the data gathered in the grids lent themselves perfectly to quantitative analysis.

Even though, as discussed above, the methodological assumptions of the Repertory Grid are considered to be closely aligned to the objectives of this thesis and to the objective of the second phase of the fieldwork, it was deemed imperative that the theoretical assumptions of the research method were also understood. Only then, would a genuine exploitation of this research instrument be achieved.

The conduction of the Repertory Test

In contrast to such studies as Whyte and Bytheway's (1996) where the repertory grid technique is used as a basis for an elicitation procedure to extract elements as well as constructs, within this research study, the repertory interviews have been conducted only to identify constructs. In order to avoid any bias (Coshall, 2000), the elements for the Repertory Grid *(see Appendix S)* were sought from the respondents (Mitchell and Kiral, 1998). In an attempt to enable an adequate range of comparison, thirteen elements were included. While the first element represented the topic of investigation of this research study, CRM, the remainder of the thirteen elements were made up of the twelve most popular factors that respondents identified in phase one of the primary research as being the most important factor on which hotel companies should concentrate on as far as CRM is concerned. Furthermore, in order to avoid "the imposition of pre-determined attributes in the form of Likert and semantic differential scales" (Hankinson, 2005:26), Kelly's original binary scale has been used in spite of criticisms about forced discrimination (Huyton and Ingold, 1999) and restrained freedom of expression (Mitchell and Kiral, 1998; Kupiec and Revell. 2001). Indeed, it is argued that not only are Likert and semantic scales chosen by researchers (Caldwell and Coshall, 2002:386), but it also cannot be guaranteed that the rating scales have the same meanings to all respondents.

The Repertory Grid Method can be conducted through the triading, laddering or pyramiding method (Marsden and Littler, 2000). Even though the technique of hard laddering or pyramiding would have reduced the interviewer influence and structure bias (Mitchell and Harris, 2005), the triadic method was deemed more relevant to the research study (Coshall, 1991, 2002; Hankinson, 2004). The use of this method during the pilot study also confirmed its adequacy and applicability *(see Appendix W)*. Accordingly, the researcher administered the same combination of triads in the same order to all the respondents. Even though the sequential form, which implies substituting or adding special combinations, may arguably have tested the respondents' specific handling of certain constructs and even checked the permeability of constructs, it was also decided that a set and structured format of initial questioning would be adhered to. Accordingly, as in the full context form of the Repertory Test devised by Kelly (1955), cards featuring a single element were used. Triads were drawn from a hat in order to keep the combination of elements random to stay clear from any pattern in the grid. However, it was decided that the theme of the research study, Customer Relationship Marketing, would feature in two-thirds of the fifteen triads or combinations in order to ensure that enough emphasis was placed on the actual topic of investigation.

A more general initial enquiry was also deemed more adequate to avoid the respondents being forced to think along a specific line of thought. Moreover, the study is expected to be exploratory in nature and as such is intended to differ from the existing type of surveys within the hotel industry which tend to be usually designed to probe the experience of customers with relevance to specific dimensions of their stay, such as satisfaction or service for instance. Accordingly, for each new triad, the first question was: "What do two of these three elements have in common?". Whenever, cause and effect were offered in the responses, these were rejected and the initial question was asked again. Similarities and contrasts mentioned were also probed and clarified so that they could be summarised and expressed as bipolar dimensions (Kelly, 1955; Caldwell and Coshall, 2002; Hankinson, 2004). Although a series of bi-polar constructs were achieved (Senior, 1997), in contrast to such research studies as Senior's (1997), these were in no part of the study forced upon the respondents by the interviewer. Subsequently, while for some triads grammatically opposite bi-polar constructs were identified, most of the final bi-polar constructs and contrasts are not grammatical opposites. Notwithstanding, as the researcher was intent on uncovering the genuine perceptions and thoughts of the respondents, these responses were not deemed flawed or inadequate for further analysis.

Kelly (1955) prescribed that if an interviewee repeats a construct twice, the interview should be terminated as this would be a clear indication that the respondent is uni-dimensional. Although a cut-off criterion was also followed for the interviews, the interview was only terminated once a respondent repeated a construct for the third time. Even though grids displaying a range of constructs may appear to hold more merit, shorter interviews were also taken into consideration for further analysis. Indeed, all respondents were considered to be simply individuals. Thus, while for some interviewees what was being enquired about could be a valuable and complex experience, for others this may simply not be so. Indeed, the individuality of each respondent was acknowledged and embraced. Accordingly, it was expected that some respondents would only produce a few pairs of construct-contrast due to the fact that "their expectations" and perceptions regarding the subject being investigated "may have a simple structure" (Caldwell and Coshall, 2002:386). Some were indeed expected to have a larger repertory of personal constructs.

RELIABILITY, VALIDITY AND ETHICAL CONSIDERATIONS

Reliability and Validity Issues Associated with the Secondary Research

With regards to the validity of the criteria and themes examined, as there are no well-established measures against which to check and discuss the concept of CRM, thus as discussed earlier in this chapter, the methodological structure followed during the secondary research was exploratory yet grounded in theory.

It was acknowledged that the selection of the themes explored in the secondary research would by all means directly influence the scope of inferences. Thus, in order to enhance the validity and the reliability of the themes discussed, a triangulation of theory was applied. Accordingly, a wide range of literature from both commercial and academic sources was reviewed. Trade literature was deemed particularly important as it is generally accepted that the trends and what occurs within the hotel industry tend to be covered more readily in such sources. Moreover, the inclusion of academic perspectives both with regard to the hotel industry and theoretical concepts was also deemed crucial.

The validity of the construct could not be determined within this research study as the theory being explored, CRM, is not well established yet. Nonetheless, measures were adopted to ensure that the primary research conforms to the theoretical dimensions explored during the secondary research of this thesis.

Reliability and Validity Issues Associated with the Primary Research

Reliability and Validity Issues Associated with Phase One of the Primary Research

In order to minimise the level of risks associated with the reliability and validity of the first phase of the primary research, a range of factors were considered when devising the questionnaire. The use of marketing jargon as well as technical and lexical terminology was limited to optimise the clarity of the questions and options. The wording and content of questions was also tested with academics and hoteliers as well as in a pilot study to ensure the reliability of this survey. Furthermore, questions about which respondents were unlikely to have an opinion or knowledge were deliberately avoided. However, as only one pilot study was conducted, it cannot be guaranteed that the limitations of the questionnaire uncovered during that study, had been eliminated so that the standardised questionnaire used during the main survey was in fact flawless.

Although misunderstandings due to language barriers could not be completely overruled and it could also not be guaranteed that the wording of the questions and options had the same meaning for all respondents. However, the validity of this part of the fieldwork was enhanced by the fact that a standardised format exploring the dimensions, which were intended by the researcher, was used. These indicators were in fact based on the findings of the secondary research. In spite of the fact that it was acknowledged that they would not enable the capturing of in-depth data and were limited in complexity, close and multi-choice questions were deemed relevant to the objectives of this thesis. Nonetheless, it cannot be ignored that open questions would have enabled more comprehensive information to be acquired about the respondents.

As positivism prescribes that any phenomenon under study is expected to be regarded objectively rather than as an individual subjective entity, the categorization of variations is accepted as part of a scientific process. However, as Kuhn (1996:24) argues categorization may be regarded as an "attempt to force nature into the preformed and relatively inflexible box". As such, the categorization of variables and options may arguably bring forth reflexivity issues in terms of the reasoning behind the chosen categories as well as their range. Furthermore, as prominent categories may attract more attention, respondents or even responses which do not fit into these categories may arguably be inadvertently marginalized or even ignored. Thus, not only could undesirable norms be created, but so could data, which is in fact not fully representative of reality. Subsequently, misguided inferences may be made.

These criticisms were considered particularly relevant to this thesis as categorisation was applied throughout the questionnaire to gather the perceptions and attitudes of the respondents, and to segment the respondents into demographic groups. The latter was in fact done for both phases of the primary research. Although under such scrutiny, the categorizations conducted may be deemed to be neither scientific nor balanced, it is however argued that as these were constructed objectively, their validity is enhanced. Indeed, the categories used in the questionnaire consist of the dimensions and features, which as discussed throughout the critique of the literature, academics advocate as being part of the CRM concept. The demographic categories were also considered necessary so that associations between perceptions and personal characteristics could be assessed.

With regards to the options offered for the responses, a plausible flaw could have occurred in Question 10 as no provision had been made for the possibility that the opinion of respondents might neither be true nor false *(see Appendix R)*. A pertinent option may indeed have been "don't know". Although it could not be determined why some respondents did not comment on some activities, these were however noted. Notwithstanding, as the objective of this part of the questionnaire was to uncover perceptions, this forced opinion was deemed valid.

When analysing the pilot study of the questionnaire, it was repeatedly noted that respondents marked their answers in between the numerical values offered on the Likert scales provided *(see Appendix V)*. As in many cases the exact value of the response could not be determined, Likert scales were replaced by itemised rating scales in the main questionnaires. Accordingly, rather than be requested to mark their answer on a continuous scale, respondents were requested to select one option from a limited number of ordered categories. In hindsight, this change might be considered to have been hasty as the level of measurement afforded by Likert-scale outweighs the potential for statistical analysis associated with itemised scaling. Rather than completely change the Likert scales to itemised scaling, the researcher could perhaps have instead altered their presentation and inserted joined boxes for the respondents to select. Thereby, interval data would have been collected. However, although itemized rating scales do not allow for the fine distinctions, which the interval data provided by Likert scales would have done, they were deemed clearer for respondents to understand and thus considered more reliable. Indeed, as argued by McDaniel and Gates' (2004:211), "the definitive categories found in itemised rating scales usually produce more reliable ratings".

Some concern may surround the number of options included in the itemised rating scales of Question 15 and Question 18. While the fact remains that if too few divisions are used, scales can be considered crude and lacking in meaning, it can also not be ignored that if too many divisions or levels of attitude are included, the scale runs the risk of going beyond the ability of most respondents to discriminate among the options. In either case, the resulting data may indeed be invalid. In an attempt to limit the concerns about the validity of the divisions, two distinct range and number of divisions were used. However, the number of options, limited to a 3-point scale for Question 15 and a 4-point scale for Question 18 may be considered to be restrictive. It could also be argued that no truly neutral point has been offered for either question. Although it is acknowledged that a separate "important" option may have been advisable for Question 15, it should be explained that after the Pilot Study, this option was deliberately removed in order to clearly differentiate the options. Notwithstanding, the ranges of options offered are considered not only valid but also reliable for the type of data sought and the objectives of this thesis.

Reliability and Validity Issues Associated with Phase Two of the Primary Research

Although as a technique, the Repertory Grid Method allowed the researcher to elicit and identify the attributes or constructs that individual respondents use to describe their meaning systems or construct sub-systems whilst placing as few constraints as possible on the way in which the respondent's views are communicated, a range of conceptual and practical problems were however encountered during this research study. Indeed, although the elements used in the repertory grids were obtained from the responses from the questionnaires, it could not be guaranteed that these had the same meaning for all the interviewees.

As discussed earlier in this chapter, it was expected that some respondents would only produce a few pairs of construct-contrast due to the fact that their perceptions about the subject being investigated has a simple structure while others were indeed expected to have a larger repertory of personal constructs about the theme under study. Nonetheless, a limitation of this technique is that it presumes that all interviewees are able to express an opinion. During the repertory interviews, while some respondents had difficulty in expressing themselves as they were not necessarily articulate about their own constructs, others appeared reluctant or even shy. Consequently, the reliability of their responses could be questioned. However, to counteract these unforeseen limitations, extra care was taken before and during the interviews to make the respondent comfortable enough to be able to express themselves in a way that would facilitate the verbalisation of a similarity, then the refining of that similarity into a construct to ultimately facilitate the gathering and analysis of data. Accordingly, to enhance the validity of the method and the reliability of the responses, salient words were first repeated to the interviewee to ensure that both the interviewer and the interviewee were clear about the response. Only upon confirmation was the construct or contrast written down. Moreover, during the interviews, the researcher diligently studied the ways in which respondents answered the questions. Subsequently, observable linkages between the wording of questions and responses were also prompted.

Even though for the purpose of analysis, it would have been much more straightforward for the construct or even contrasts to be uni-dimensional, such a stringent structure was not imposed on the respondents. Constructs were thus allowed to be multidimensional as well as double-barrelled as it was considered that these features were correlated into one construct for that respondent. It was indeed accepted that some chosen elements have more than one thing in common in the interviewee's mind. Rather than limit the validity of this method, this was considered to have enhanced the reliability of the findings. However it should be emphasised that this situation only arose in a few cases. Hence the validity and reliability of the findings have not been impaired.

Although the researcher arguably did not impose any parameter on the responses, it cannot be disputed that this method prescribes a structure on not only the manner in which responses are elicited but also on the way in which these are collated on the grids. By refining respondents' subjective meanings until they can be represented by merely bipolar constructs, the researcher by all means summarised responses in artificially condensed "tiny fragments of language" (Marsden and Littler, 2000:830). The manner in which constructs are recorded also expressed the respondents' ideas in little more than "shorthand form" (Marsden and Littler, 2000:830). Although these may give rise to reliability issues, the fact that this refining was conducted in an objective and value-free manner strengthens the validity of these processes. Furthermore, the reliability of the second phase of the research study was underpinned by the sampling of the interviewees and by the structured approach of the repertory grid approach to collect data as well as the quality of the analysis and interpretation of the findings.

Ethical Considerations

A range of ethical issues were taken into consideration during this research study. The informed consent was sought from the hoteliers and from all the respondents in order to maintain professional integrity. The privacy of all the respondents, in particular of the employees, was also respected. Accordingly, the confidentiality of the data was safeguarded. Undue intrusion during both phases of the fieldwork was also limited.

In order to limit, if not altogether eliminate that the results of the analyses be misinterpreted and unfounded inferences made, these were drawn from and supported by the empirical evidence offered by the two phases of the fieldwork. As such the standards of research intended were met. Indeed, it was deemed to be part of the ethical responsibilities of the research to analyse the data properly and report the findings fairly. Consequently, various techniques were evaluated in order to ensure that the most appropriate techniques were used within the research study. The researcher also ensured that techniques were used not only based on their technical merit, but because of their relevancy to the research study, to the research objectives and indeed to the type of data gathered.

The methodology adopted within this research study was driven by the aim and objectives discussed in the Introduction rather than merely by the intention to produce interesting research. Consequently, it was deemed important that the researcher acquired the necessary skills to analyse the type of data thoroughly and adequately as the inappropriate analysis of the data would have arguably been just as misleading as the deliberate fabrication of data. Moreover, the statistics were collected rather than produced and the findings reported were derived from outputs of the techniques applied. In line with positivist studies, the statistics were treated objectively and statistical techniques were used in order to achieve the objectives of the research study. As the interpretations made throughout Chapters Six and Eight were underpinned by data, this thesis is by all means considered to be an example of empirical research.

SYNOPTIC OVERVIEW

This chapter outlines the processes conducted to implement the unique methodology chosen for this research study. Accordingly it encompasses the evaluation of the research approaches dominant in marketing, the selection of a research approach and research instruments for this thesis, and the actual conduction as well as evaluation of the primary and secondary research. The selection of the population and sampling issues are also discussed. In essence, this chapter justifies the secondary research as well as provides the platform from which the next chapters devoted to the analysis and application of the primary research emerges.

The objectives of the research study discussed in the Introduction directly influenced the nature of what was intended to be sought during the fieldwork as well as determined which research approach and instruments should be used. Consequently, a combination of questionnaire and repertory interviews was deemed most adequate.

Although the positivist approach is considered much more relevant to the objectives set for this thesis, the relevance of interpretivism to marketing and to topic of CRM is also not ignored. Thus, during the second phase of the fieldwork, interviews, which are quintessentially interpretive research instruments have been used to support the unquestionably positivist research instrument, the standardized questionnaires, which have been used in the first phase of the fieldwork. Although the interviews conducted by means of the Repertory Grid Method are by all means valuable in their own right, within this thesis they were intended to offer an alternative level of information to the positivist research perspective. Accordingly, these two research instruments and perspectives complemented each other. While, the quantitative research instrument focused on the offering of an objective reality, the predominantly qualitative research instrument enabled the uncovering of the reality of the respondents at a micro level.

Although the minimisation if not altogether elimination of researcher bias was from the onset deemed important to this research study, the questionnaire, albeit limited in terms of researcher bias, nonetheless imposed the perspectives of academics onto the respondents. In view of this limitation, it was deemed crucial for the second phase of the fieldwork to include a less biased research instrument. Being quintessentially more in line with an interpretative approach to research, the repertory interview offered a more personal view of respondents' real patterns of thoughts and perceptions about CRM in the hotel industry.

Data triangulation, methodological triangulation and triangulation of theories as well as of research instruments were deemed pertinent to meet the aims and objectives of this research study. This chapter not only reviews and justifies these but also discusses how issues associated with the population, sampling, content and the administration of the research design have been curtailed during the research process. As such this chapter provides the grounding of this thesis as an example of reliable, valid and ethical research.

CHAPTER FIVE

INTRODUCTION

As discussed in Chapter Four, the aim of the primary research is to assess the perceptions of hotel guests and hotel employees about CRM. A triangulation of research instruments has been deemed recommendable in order to offer a comprehensive view of perceptions. While a self-administered standardised questionnaire has been used for the first phase of the primary research, as discussed in Chapters Four and Seven, repertory interviews have been conducted in the second phase.

The objective of the questionnaire is to uncover differential perceptions with relation to the components and dimensions, which as discussed in Chapters One, Two and Three, academics have advocated as being part of, and sometimes equivalent to, the CRM concept. Accordingly, respondents' perceptions about whether a range of activities is part of CRM or not have been assessed. One of the ultimate goals of the analyses of the questionnaire is to identify which specific dimensions of CRM are relevant to internal and external customers in contemporary terms. Accordingly, the analyses are intended to be descriptive as well as exploratory.

In an attempt to uncover prevailing perceptions, responses have been assessed in line with demographic characteristics. A comparative approach has been followed in order to represent the quantitative data collected by the questionnaires realistically as well as to represent the inherent reality explored statistically. Frequency tables of single variables have been quintessential in the assessment and the refining of categories whereas crosstabulations have been instrumental in assessing the associations between sets of two variables. Statistic tests such as Pearson chi square have been used to determine the whether an association exists between sets of two variables.

Although the identification of the association between two variables is a primordial objective of the analysis of the questionnaire, it was also deemed relevant to extend the bivariate crosstabulations to determine whether associations exist among more than two specific variables. The possibility that the association between two variables may be mediated by a third variable or even a fourth variable, led to sets of associated variables being examined through loglinear analysis.

While attempts have been made to summarise the data collated during the survey for the sake of clarification, the objective of the analyses of the data acquired through the questionnaires is undoubtedly to uncover patterns of perceptions. The outcome of the analysis of the questionnaire is expected to be two-fold. While on one level, it is anticipated that a summary of the reality about the perceptions of CRM within the hotel industry will be offered, on another level it is expected that the obvious and possibly subconscious perceptions will help unravel which components or facets of the CRM concept resonate with internal and external customers within the hotel industry. The ultimate objective of this phase of the primary research is to critically identify if there is in fact any dimension which, albeit being supported by academics as being part of CRM, is in fact no longer relevant to the current reality of CRM within the hotel industry.

THE EFFECT OF LEVELS OF MEASUREMENT ON ANALYSES

> The level of measurement controls the descriptive statistics and statistical procedures that might be meaningfully applied to data (SPSS FOR WINDOWS, 2001:19).

Even though it is generally regarded as the most basic level of measurement, the nominal level of measurement was deemed particularly aligned to the objectives of this research study. This standpoint is strengthened by the prolific use of this type of measurement within both empirical research based with marketing (Malhotra and Birks, 1999; Lancaster, 2005) and within the hotel industry (Min and Min, 1997; Wong Ooi Mei et al. 1999; Wong and Pang, 2003; Juwaheer, 2004). Furthermore, it has been argued by such academics as McDaniel and Gates (2004) and Coshall (2006) that as measurements of perceptions rely on less precise scales than those found in physical sciences, within consumer behaviour studies, perceptions tend to be measured at the nominal and ordinal level. Thus, although it is acknowledged that nominal data is limited in terms of strength of measurement, a frame of enquiry pivoting on this scale has been adopted for the questionnaire.

Dichotomous and categorical queries have not only been deemed acceptable in terms of statistical analysis (Wong and Pang, 1999), but even more importantly, they are considered aligned to the objectives of this research study. Frequency in terms of number and percentage of responses is the only relevant quantification, which dichotomous and nominal data allows. In terms of measurement of distribution, only the modal value or most common response is meaningful for nominal data. Hence, the modal responses have been systematically identified throughout the analyses described in Chapter Six. Although this may arguably be presumed to be limited in scope for statistical analysis, the analyses, which have been based on the descriptive statistics, namely frequencies and cross-tabulations, have been deemed implicitly relevant to the objectives set for this phase of the primary research. Indeed, the analyses have not only been deemed agreeable with positivist empirical studies, but also aligned to the objectives of a research study within the field of marketing; the field in which this thesis is undoubtedly rooted. Notwithstanding, as discussed in Chapter Four, extra caution was taken to ensure that the nominal values categorised are mutually exclusive and collectively exhaustive.

Most of the scales of enquiry included in the questionnaire are non-comparative as respondents are asked to make judgements about factors or variables without considering any other factor. However, some ordinal measurement was initially sought in order to allow for a stronger measure of central tendency as indeed the combination of median and mode enabled by ordinal data is considered to be statistically stronger than the level of statistical analysis afforded by nominal scales (Lancaster, 2005). Although this scale was used when it was attempted to gauge how respondents ranked the reasons why they think hotel companies engage in CRM, during the final analysis the rating of the most important reason was deemed much more pertinent to this research study.

McDaniel and Gates (2004:197) contention that "a controversial yet rather common use of ordinal scales is to rate various characteristics" strengthened the decision to include this parameter within the study. Although such a contention may by all means be considered to extend the traditional application of ordinal measurement, due to its popularity within marketing research studies, it was followed within this research study in two instances. In question 15 and 18, a measurement scale was applied to respondents' disposition towards a range of features *(see Appendix R)*. The rankings of the reasons were measured against the demographics of the respondents in an attempt to gauge whether certain segments were more predisposed to follow some stereotypical lines of thoughts and therefore be more inclined to be influenced by certain CRM features.

It has been advocated that marketing researchers tend to prefer to use interval scales over ordinal scales due to the fact that the former allows for the precise measurement of how much of a trait one consumer has or indeed may not have in comparison with another (McDaniel and Gates, 2004). Indeed, interval scale may arguably facilitate discussion about the differences between respondents. An attempt has been made to encompass this level of measurement within the questionnaire with relation to the amount of time that guests may spend on average in hotels on business and leisure. The adjectives or categories low, medium, high and very high can arguably be considered subjectively. Indeed, while one respondent may regard 20 nights spent in hotels per year on business to be equivalent to medium usage, another respondent may indeed consider the same number of nights spent in hotels per year to be equivalent to high usage or indeed to low usage. Thus, these categories were not used in the questionnaire. Instead the categories 1-5, 5-10, 10-15 and more than 20 nights were used. However, for the analysis the numerical categories have been regrouped into the categories: low usage (less than 10 nights per year), medium usage (11 to 20 nights per year) and high usage (more than 20 nights per year). These are arguably more adequate for analysis with regards to the segmentation of the hotel guests.

The general consensus is that ratio scales represent the highest level of measurement as they reflect the actual and true amount or value of a variable. Although it is acknowledged that ratio scales would have afforded the most explicit and reliable analysis, as ratio scales were not deemed to be particularly aligned to the objectives of this research study, this level of measurement was used only once, in question 8, when the experience of employees is enquired about. However, during the final analyses, this factor was not deemed pertinent to the objectives of the research study as the aim of this thesis is to explore differential perceptions between segments of the population based on their demographic characteristics. Although it is not denied that the experience of employees could by all means influence their perceptions, it was nonetheless not considered relevant to explore this dimension within this thesis.

DESCRIPTIVE ANALYSIS: THE USE OF FREQUENCIES AND CROSSTABULATIONS

Frequency tables or univariate frequency tables and crosstabulations have been deemed ideally suited to this part of the primary research not only in terms of their visual explicitness, but also because they enable the achievement of the objectives of this survey in terms of description and exploration.

Even though frequency tables may arguably be considered rather basic in terms of statistical analysis, as they enable the examination of single variables, they have been used for the summary and classification of the data. Indeed, they not only helped determine the number of counts, percentages and cumulative percentages of each variable, but they also identified the number of illegitimate responses. As a result of the examination of the frequencies of single variables, in some cases measures of central tendency such as the modal value have been identified. In some cases, frequency tables highlighted that regrouping of some nominal categories was recommendable for further analysis. For example, for question 8 and 9 *(see Appendix R)*, as the data gathered was discreet, respondents were then regrouped into different categories, which were deemed more adequate for analysis. Within the analysis of the questionnaires, frequency tables also helped determine the shape of the empirical distribution of the given variable. In the light of the latter characteristic, frequency data was used to construct pie charts and bar charts, from which it was examined whether the observed distribution is consistent with the distribution, which was assumed from the secondary research. In this sense, frequency tables indeed represented "a convenient way of looking at different values of a variable" (Malhotra and Birks, 1999:453). The mode or modal value, generally considered to be a good means of location when a variable has been grouped into categories, was also identified.

Crosstabulations are popular within marketing research. On an analytical level, a series of crosstabulations are expected to "offer greater insights into a complex phenomenon than a single multivariate analysis" (Malhotra and Birks, 1999:463). Crosstabulations are also said to have the potential to ease plausible problems, which sparse cells or missing information, may engender (Hooley and Hussey, 1999b). Accordingly, within the premise of the analysis of the questionnaires, they are expected to curtail any limitation, which missing responses may engender. The format of the analysis and results are also expected to be easily understood and hence be better interpreted. As the display of the correlations is visually and conceptually clear (Hussey and Hooley, 1999), the results are arguably easily understood.

TESTING OF HYPOTHESES OF ASSOCIATION

In statistics the power of hypothesis testing lies in the ability to reject the null hypothesis when the null hypothesis should be rejected. Although such a process is associated with falsification rather than verification (Popper, 1968), it is nonetheless a generally accepted technique within statistical analysis (McColl-Kennedy and White, 1997; Lengnick-Hall et al., 2000).

Hypothesis testing can be divided into two classes: examinations or tests of associations and examinations or tests of differences. Hypothesis of associations have been conducted for the analysis of the questionnaires. Within the framework of the testing of associations, the null hypothesis centres on the supposition that there is no association between the variables being examined. Thus H_0 prescribes that the variables are independent. Several academics including Malhotra and Birks (1999:458) have testified to how:

> within marketing research the null hypothesis is formulated in such a way that its rejection leads to the acceptance of the desired conclusion.

Accordingly, "the alternative hypothesis represents the conclusion for which evidence is sought". Thus, within the premise of this research study, a null hypothesis would be constructed for instance as follows:

H_0: Gender and Special Offers are independent

or

H_0: Age is not related to preference for Special Offers

and the alternative hypothesis would be set as:

H_1: Gender and Special Offers are dependent

or

H_1: Age is related to preference for Special Offers.

Hypothesis testing may result in one of two specific outcomes. The results of the testing may lead to the null hypothesis being rejected in favour of the alternative hypothesis. Alternatively, the test may also lead to the null hypothesis not being rejected. In such instance, the alternative hypothesis is not even considered.

Frequency tables and crosstabulations are valuable tools. However, the strength of crosstabulations is directly linked to the testing of the association between the variables under examination. The validity as well as the reliability of the application of crosstabulations is solidified by the inclusion of statistics tests. A less subjective examination of contentions is also afforded through the statistics, which have been presented along with the crosstabulation of variables.

For the analysis of the questionnaire, it was deemed important to uncover whether variables are independent from one another. The Pearson chi square statistic was applied to determine whether a systematic association exists between the variables under study. If the significance level is less than .05, the null hypothesis of independence or no association is rejected. Some criteria must however be met for Pearson chi square to be relevant. Observations must be drawn independently. Chi square analysis should not be conducted if the frequency in any cell is less than five. If any cell of a 2X2 contingency table has less than five values or responses, SPSS automatically uses the Fisher's extract test instead of the chi square test to assess the notion of independence and an associated level of significance is thereby naturally reported. Furthermore, if more than twenty percent of the cells in a table have expected frequencies of less than five, SPSS will automatically report this fact.

The SPSS software includes several measures of association to help assess the strength of association between variables involving nominal and ordinal data. These include the phi correlation coefficient, Cramer's V and Lambda coefficient. These measures are not only varied in their interpretations but even more importantly, it is generally considered that no measure can be considered optimal in all situations (SPSS Base 10.0 User's Guide, 1999). However, as only the identification of associations rather that the strength of such associations were deemed relevant to the objectives of this research study, only the former has been sought.

HIERACHICAL LOGLINEAR ANALYSIS

From the onset, it was intended that hypotheses of associations would be explored for the data collated through the questionnaires. Accordingly, the technique of crosstabulation has been applied via the chi square statistic to assess the independency, relationships or inter-relationships between sets of two variables. Although crosstabulations may be used to assess the relationships among more than 2 variables, the identification and separation of the influential factors was deemed too complex for clear inferences. As such criticisms would have likely given rise to reliability and validity issues, these were not attempted for the analysis of the questionnaire. Furthermore, as when extra variables are added to crosstabulation tables, the number of cells rapidly increases, it therefore becomes very difficult to uncover associations between the variables by merely examining the cells entries. Even though the traditional chi square approach supported by crosstabulations by all means provides an insight about the relationships among variables, it however does not enable an adequate and objective exploration of the relationship between a pair of categorical variables when other variables are inserted into the equation. The chi square approach also does not enable the simultaneous examination of different sets of two-way relationships.

As it was suspected that some variables may interact with more than one variable, the potential associations among more than 2 variables have been examined through the technique of loglinear analysis. For instance, it was suspected that age may interact with gender to influence some of the sampled respondents in their consideration of how influential special offers are to them. This approach not only enables the analysis of three-way association or relationship but also of higher-order interactions; that is four-way relationship, five-way relationship and more. Accordingly, the interaction between background variables, such as gender and age, were deemed pertinent to be examined against perceptual variables. With regards to the context of CRM within the hotel industry, such higher order interactions are expected to influence how respondents react to CRM campaigns. Consequently, their identification is deemed very important.

The objective of loglinear analysis is to assess whether variables are associated (or not independent) or whether they are in fact independent. In contrast to crosstabulation, the main way in which loglinear analysis is used is within multi-variate context. Loglinear analysis attempts to use the logic of multiple regression models, which are additive. Within the context of this research study, it is suspected that factors, which might influence perceptions are age, gender and level of employment. The marital status of the respondent was initially suspected to be a less influential variable.

Before applying loglinear analysis to assess the influences or lack of influence, which two initial variables, say purpose of visit and age of guest, have upon a third variable, say special offers, two-way association between the demographic and perceptual variable needs to be determined. Thus, prior to the conduction of loglinear analysis, crosstabulations and Pearson chi square statistic have been conducted to test hypotheses of association and determine two-way relationships *(see Appendix X)*. Thereafter, the saturated model of loglinear analysis has been requested as it includes all possible main effects and interactions.

SYNOPTIC OVERVIEW

Before finalising which statistical analysis would be pertinent to the discourse with this research study, the data acquired from the survey conducted in the first phase of the primary research was examined. Accordingly, gaps in responses, missing values, as well as incorrect adherence to instructions were noted. Frequency tables helped in refining and summarising the data. In some cases, regrouping was deemed advisable. Based on the resulting assumptions, the testing of hypotheses of association has been carried out. Demographic variables have been crosstabulated with perceptual factors. It was acknowledged that the selection of variables would by all means directly influence the scope of inferences, just as the grouping of cases would drastically influence the visual interpretation of their frequencies. Notwithstanding, the crosstabulations have been deemed aligned to the aims and objectives of this part of the primary research and of the thesis. Pearson chi square statistic has been used to determine independence or non independence between sets of two variables.

A structured process was followed when testing hypotheses of association. The following steps were adhered to in order to minimise the issues of reliability of the findings. Firstly, the null hypothesis is tested by means of the Pearson Chi Square test in order to determine if the variables selected are independent. If testing leads to H_0 being rejected, then it is concluded that there is an association or relationship between the two variables being examined. Accordingly, H_1 states that these two variables are not independent. In cases where based on the significance level of chi square, H_0 is not rejected, it is forthrightly acknowledged that the two variables being examined are independent.

From the onset, it has been deemed crucial that the graphical display of information should be well structured and clear enough to be understood by non-statisticians. Indeed, as discussed in the Introduction, even though the research study is intended to be grounded in basic research due to its attempt to refine the concept of CRM, it is also intended to discuss how CRM can be better embraced within the hotel industry. Therefore, the research study also encompasses characteristics of applied research. Graphs have been used because of their clarity of display and distinctiveness. Indeed, within the premise of the thesis, it was deemed particularly important that the graphical and editing outputs are closely aligned to the objectives of the research study and of the primary research rather than have the objectives be moulded to fit in with the characteristics of the graphs and statistical analysis used. As detailed in Chapter Six and in the Conclusion, these objectives are considered to have all been met.

CHAPTER SIX

INTRODUCTION

As discussed in Chapters One, Two and Three, while academics have hailed a variety of features and processes as being integral to CRM, hotel chains have been conducting tailored processes to implement and enhance their engagement in CRM. Although some activities have been specially introduced in the hotel industry due to the embracing of CRM, other marketing and management tasks and dimensions, albeit relevant to CRM, have however traditionally and inherently been part of the operations and dynamics of this industry. This chapter intends to uncover which activities of CRM, proposed by academia as discussed in Chapters One, Two and Three, are still relevant to the engagement in and delivery of CRM in contemporary terms. This chapter also intends to examine the differential perceptions about the embracing of CRM and its various associated elements within the hotel industry. An attempt has also been made to assess how features manipulated by hotel companies to enhance CRM actually affect behavioural dispositions, at least on a cognitive level. Ultimately, the findings discussed within this chapter are intended to either consolidate or dispute the relevance of the arguments and findings of academia and practices, which been reviewed throughout the secondary research. Moreover, by identifying which one factor, respondents think hotel companies should focus upon with regards to CRM *(see Appendix R)*, these findings are intended to provide the elements to be used in the repertory grids *(see Chapters Four, Seven and Appendix S)*.

In order to facilitate a flow in the various types of findings reported by the range of techniques applied to analyse the questionnaires, this chapter has been divided into five sections. While the first section examines the main objectives, which have been associated with the embracing of CRM within the hotel industry, the second section discusses how CRM is being used as an enhancer of the basic and traditional offerings of hotels. The third section discusses findings about the internal and external organisational building blocks of CRM within the hotel industry. The fourth section analyses the findings about the processes and mechanisms associated with contemporary CRM. The fifth and last section of this chapter reviews the prevailing perceptions about the current state of CRM within the hotel industry. Albeit being based on the findings of a questionnaire guided by the discussions and proposals of academia, the primordial goal of this chapter is to offer a comprehensive and multi-dimensional view of CRM within the hotel industry from the guests' and employees' perspectives.

Crosstabulations and Pearson chi square statistic have been used to test hypotheses of associations between perceptual and demographic variables, between perceptual and usage variables, between expected behavioural and demographic variables, and between expected behavioural and usage variables. The Pearson Chi Square statistic test is considered particularly significant to this research study, as even though as discussed in the Introduction it is by no means intended to discuss cause and effect, the uncovering of associations or non independency is however an inherent objective of this thesis. Accordingly, the Pearson Chi Square statistic test has been used to identify associations. Only the significance value (Asymp. Sig.) generated by this test has been considered to have the information being sought for the discussion intended in this thesis. As a matter of fact, the properties of the Pearson Chi Square test statistic postulate that the lower the significance value, the less likely it is that the two variables are independent or unrelated. The Pearson Chi Square Test, for which associations between the variables being examined has been established have been summarised in an appendix *(see Appendix AM)*.

Once, relationships of non independency have been identified, the saturated model of loglinear analysis has been used to examine higher order interactions due to the fact that as discussed in Chapter Five, crosstabulations have been deemed to only be adequate for the examination of two-way interactions *(see Appendix X)*. Indeed, as discussed in Chapter Five, it was deemed relevant to determine whether there is any association among a variable and all the demographic and usage variables, which have been identified as having an association with that given variable. Subsequently, the hypotheses of associations among three variables and sometimes four or more variables have been tested in order to identify any three-way or four-way association.

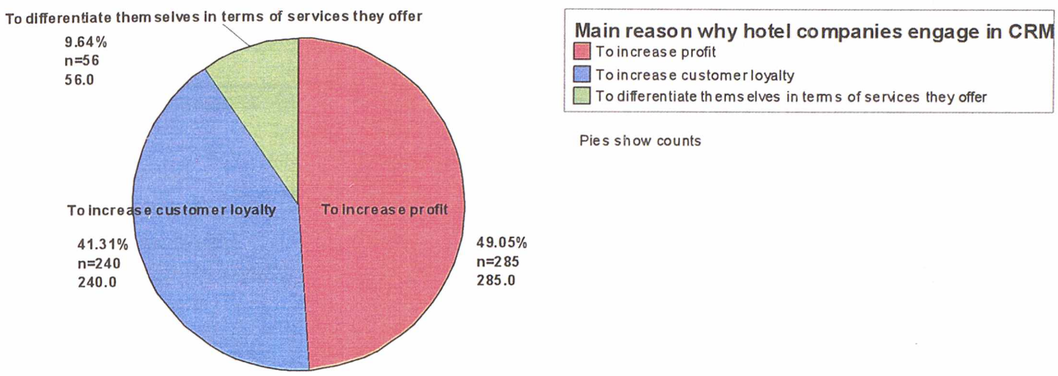
THE REAL OBJECTIVES OF CRM WITHIN THE HOTEL INDUSTRY

As discussed in Chapter Two, strategic focus is one of the dimensions, which differentiate Relationship Marketing from Traditional Marketing. During the critique of the literature, it has been shown how hotel companies tend to engage in CRM at the strategic and tactical level. As a strategy, CRM is equivalent to an integrated plan, which can be used to meet a company's specific organizational aims (Glueck, 1989). However, even though Nitsche (2002) emphasizes that companies need to clearly determine their purpose and objectives with regards to CRM if they are to succeed in their CRM endeavors, Joplin (2001) advocates that most companies do not have a clear understanding for the reason why they are adopting CRM.

Notwithstanding, varied goals have been associated with CRM. The secondary research uncovers how CRM has been said to not only help companies enhance relationships with their customers and differentiate themselves from their competitors, but also to improve their operations by increasing their return on investment and indeed even strengthening their internal organisation. This wide range of objectives indeed indicates that CRM can be used with distinct intentions within hotel companies. However, in spite of these varied opportunities, based on the findings of the pilot study and on the examples identified during the secondary research, it is contended that hotel companies tend to use CRM for three main reasons: to increase profit, to increase customer loyalty and to differentiate themselves in terms of the service they offer. The exploration of respondents' perceptions about the reasons why hotel companies engage in CRM was deemed important in order to assess whether academia and respondents associate the same level of importance to the various objectives examined.

CRM as a strategy to increase profit

The majority of the 581 valid responses, 49.1% consider the increase of profit to be the main reason why hotel companies engage in CRM. 41.3% consider that it is to increase customer loyalty and only 9.6% of the respondents believe that hotel companies engage in CRM in order to differentiate themselves in terms of the services that they offer.



When crosstabulations were conducted and Pearson chi square statistic run to test hypotheses of associations, a relationship between the belief about the main reason why hotel companies engage in CRM and two variables, marital status and business usage of guests, was noted.

As a Pearson chi square significance .001, hence less than 0.05, was reported for the association between the belief about the main reason why hotel companies engage in CRM and whether the respondents are single or not, the null hypotheses:

H_0: Marital status and Belief about the main reason why hotel companies engage in CRM are independent,

was rejected in favour of the alternative hypothesis:

H_1: Marital status and Belief about the main reason why hotel companies engage in CRM are not independent.

The findings of the following crosstabulation table indicate that the majority of single respondents sampled (48.2%) believe that hotel companies engage in CRM to increase customer loyalty. In contrast 56.6% of the not single respondents sampled believe that companies engage in CRM to increase profit. Only 10.4% of single and

8.6% of not single respondents think that hotel companies engage in CRM to differentiate themselves in terms of the services they offer.

Main reason why hotel companies engage in CRM * New groups of status Crosstabulation

			New groups of status		Total
			Single	Not single	
Main reason why hotel companies engage in CRM	To increase profit	Count	115	158	273
		% within Main reason why hotel companies engage in CRM	42.1%	57.9%	100.0%
		% within New groups of status	41.4%	56.6%	49.0%
		% of Total	20.6%	28.4%	49.0%
	To increase customer loyalty	Count	134	97	231
		% within Main reason why hotel companies engage in CRM	58.0%	42.0%	100.0%
		% within New groups of status	48.2%	34.8%	41.5%
		% of Total	24.1%	17.4%	41.5%
	To differentiate themselves in terms of the services they offer	Count	29	24	53
		% within Main reason why hotel companies engage in CRM	54.7%	45.3%	100.0%
		% within New groups of status	10.4%	8.6%	9.5%
		% of Total	5.2%	4.3%	9.5%
Total		Count	278	279	557
		% within Main reason why hotel companies engage in CRM	49.9%	50.1%	100.0%
		% within New groups of status	100.0%	100.0%	100.0%
		% of Total	49.9%	50.1%	100.0%

As a Pearson chi square significance of .010 was reported for the testing of the association between the belief about the main reason why hotel companies engage in CRM and guests' business usage, the null hypothesis of association was also rejected. The findings of the following crosstabulation table show that the majority of guests with high usage (51.0%), the majority of guests with medium usage (69.8%) and the majority of guests with low usage (48.0%) consider the increase of profit to be the main reason why hotel companies engage in CRM. The findings of this table also indicate that the lowest percentages of the various populations sampled, namely 7.1% of the guests with low usage, 15.1% of the guests with medium usage and 10.7% of the guests with high business usage, consider the differentiation of companies in terms of the services they offer to be the most important reason why hotel companies engage in CRM. Consequently, in contrast to the mutually beneficial exchanges that CRM can represent, as discussed in Chapter Two, these findings arguably imply that guests predominantly in fact believe that hotel companies engage in CRM for their own interest.

Main reason why hotel companies engage in CRM * New categories of business usage Crosstabulation

			New categories of business usage			Total
			Low	Medium	High	
Main reason why hotel companies engage in CRM	To increase profit	Count	50	37	36	123
		% within Main reason why hotel companies engage in CRM	40.7%	30.1%	29.3%	100.0%
		% within New categories of business usage	51.0%	69.8%	48.0%	54.4%
		% of Total	22.1%	16.4%	15.9%	54.4%
	To increase customer loyalty	Count	41	8	31	80
		% within Main reason why hotel companies engage in CRM	51.3%	10.0%	38.8%	100.0%
		% within New categories of business usage	41.8%	15.1%	41.3%	35.4%
		% of Total	18.1%	3.5%	13.7%	35.4%
	To differentiate themselves in terms of services they offer	Count	7	8	8	23
		% within Main reason why hotel companies engage in CRM	30.4%	34.8%	34.8%	100.0%
		% within New categories of business usage	7.1%	15.1%	10.7%	10.2%
		% of Total	3.1%	3.5%	3.5%	10.2%
Total		Count	98	53	75	226
		% within Main reason why hotel companies engage in CRM	43.4%	23.5%	33.2%	100.0%
		% within New categories of business usage	100.0%	100.0%	100.0%	100.0%
		% of Total	43.4%	23.5%	33.2%	100.0%

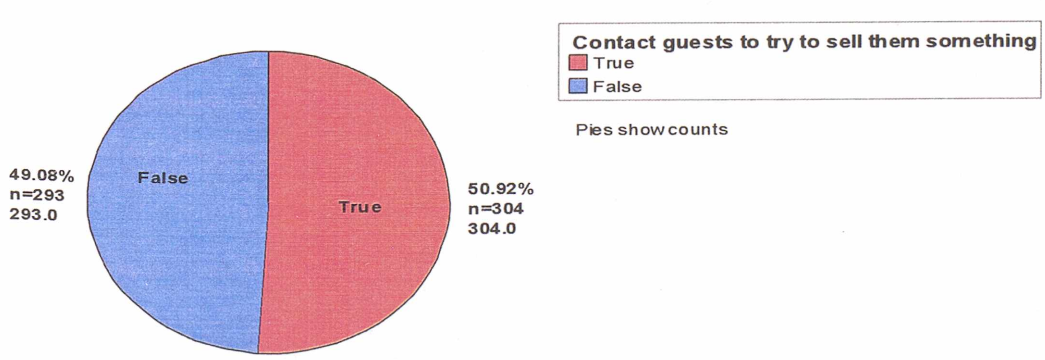
The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, the main reason why hotel companies engage in CRM, and the two variables, marital status and business usage of guests, with which the chi square statistic previously revealed no independence. However, as the standard error value, Z-Value, for this interaction was within the range ± 1.96, the null hypothesis:

H_0: Belief about the main reason why hotel companies engage in CRM, Marital status and Business usage of guests are independent,

was not rejected. Notwithstanding, with the majority of respondents considering that the increase of profit is the main reason why hotel companies engage in CRM, it appears that the general consensus among guests and employees alike is that the main purpose of companies with regards to CRM is to enhance their success. Although this viewpoint may arguably not be aligned with the philosophical dimension of the concept of CRM, many definitions of Relationship Marketing in fact emphasise how profitability is the ultimate goal of companies *(see Appendix M)*. Accordingly, these findings confirm that some of academia's viewpoint and perceptions within the industry converge. Furthermore, as CRM can help companies increase their return of investment (Nitsche, 2002) it is understandable why hotel companies may be attracted to use CRM initiatives to increase profit. Indeed as asserted by Nolan (2002), within the hotel industry great focus is placed on costs and profits.

Contact guests to try to sell them something

In the search to increase profit, the conduction of CRM often has a hidden sales agenda. 50.9% of the 597 valid responses consider the contacting of guests to try to sell them something to be part of CRM. 49.1% of the respondents disagree. This close balance between agreement and disagreement is arguably unsurprising as although, as discussed in Chapters Two and Three, CRM is conceptually linked to effectively meeting guests' needs rather than just selling (Scott, 1995), direct marketing is considered to be the forebear of Relationship Marketing (Long et al., 1999). Furthermore, although CRM is philosophically intended to help companies understand the needs of their customers so well that the resulting specifically tailored products and services would sell themselves, as discussed in Chapter Three direct marketing campaigns are often used within CRM initiatives. These findings plausibly reveal how CRM is so intricately linked with direct marketing, that a high percentage of respondents associate selling to be an integral part of the concept. However, it is noted that as CRM has in evidence also been associated with rewards schemes and loyalty programmes, a high percentage of respondents also appear not to consider CRM to be yet another channel for making sales.



When hypotheses of association were tested, two factors, type of respondent and age, were found not to be independent of the respondents' belief about this activity being part of CRM. Accordingly, the null hypotheses set for these two interactions were rejected in favour of the alternative hypotheses that stipulate that the variables are not independent.

The Pearson chi square significance .000 was reported for the association between the belief about this activity and whether the respondent is an employee or guest. This indicates that the significance value is so low that it is displayed as .000. Thus, it would appear that the two variables are indeed related. As indicated below by the findings of the crosstabulation table, while 66.7% of the employees sampled believe that contacting guests to try to sell them something is part of CRM, 62.9% of the guests sampled consider this activity not to part of CRM. These findings could indicate that although direct marketing campaigns are usually targeted to guests, the majority of these guests do not consider CRM to be about selling. Consequently, it is recommended that hotel companies operate carefully when they use their CRM campaigns to target customers for selling purposes as indeed the loss of their guests' confidence in such programmes would undoubtedly lead to the discrediting of their CRM campaigns.

Contact guests to try to sell them something * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Contact guests to try to sell them something	True	Count	186	118	304
		% within Contact guests to try to sell them something	61.2%	38.8%	100.0%
		% within Type of Respondent	66.7%	37.1%	50.9%
		% of Total	31.2%	19.8%	50.9%
	False	Count	93	200	293
		% within Contact guests to try to sell them something	31.7%	68.3%	100.0%
		% within Type of Respondent	33.3%	62.9%	49.1%
		% of Total	15.6%	33.5%	49.1%
Total		Count	279	318	597
		% within Contact guests to try to sell them something	46.7%	53.3%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.7%	53.3%	100.0%

As a Pearson chi square significance .015 was reported for the association between the belief about this activity and whether respondents are younger or older than 35 years old, it was concluded that these two variables are not independent. The findings of the crosstabulation table below indicate that the majority of the younger respondents sampled, 54.8%, think that contacting guests to sell them something to be part of CRM. In contrast, the majority of older respondents sampled, 55.4%, consider this activity not to be part of CRM. Yet, the relatively high percentage of the each population, who actually have the opposite opinions, could also indicate that opinions are quite evenly distributed within these populations.

Contact guests to try to sell them something * New age groups Crosstabulation

			New age groups		Total
			Younger	Older	
Contact guests to try to sell them something	True	Count	188	108	296
		% within Contact guests to try to sell them something	63.5%	36.5%	100.0%
		% within New age groups	54.8%	44.6%	50.6%
		% of Total	32.1%	18.5%	50.6%
	False	Count	155	134	289
		% within Contact guests to try to sell them something	53.6%	46.4%	100.0%
		% within New age groups	45.2%	55.4%	49.4%
		% of Total	26.5%	22.9%	49.4%
Total		Count	343	242	585
		% within Contact guests to try to sell them something	58.6%	41.4%	100.0%
		% within New age groups	100.0%	100.0%	100.0%
		% of Total	58.6%	41.4%	100.0%

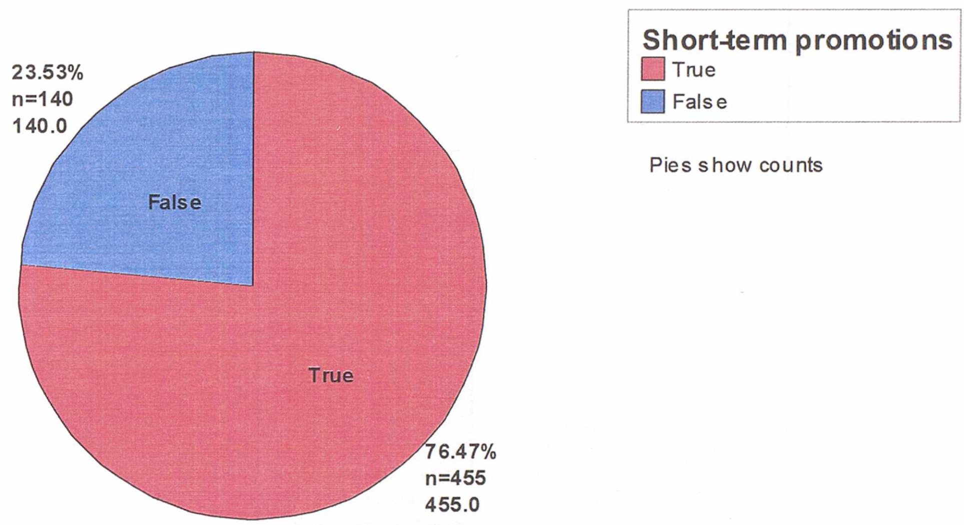
The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, belief about whether contacting guests to sell them something is part of CRM, and the two variables, type of respondent and age, with which the chi square statistic previously revealed no independence. However, as the standard error value, Z-Value, for this interaction was .59181, hence within the range ±1.96, the null hypothesis:

H_0: Belief about contacting guests to sell them something is part of CRM, type of respondent and age are independent,

was not rejected. Accordingly it was concluded that no three-way association exists.

Short-term promotions

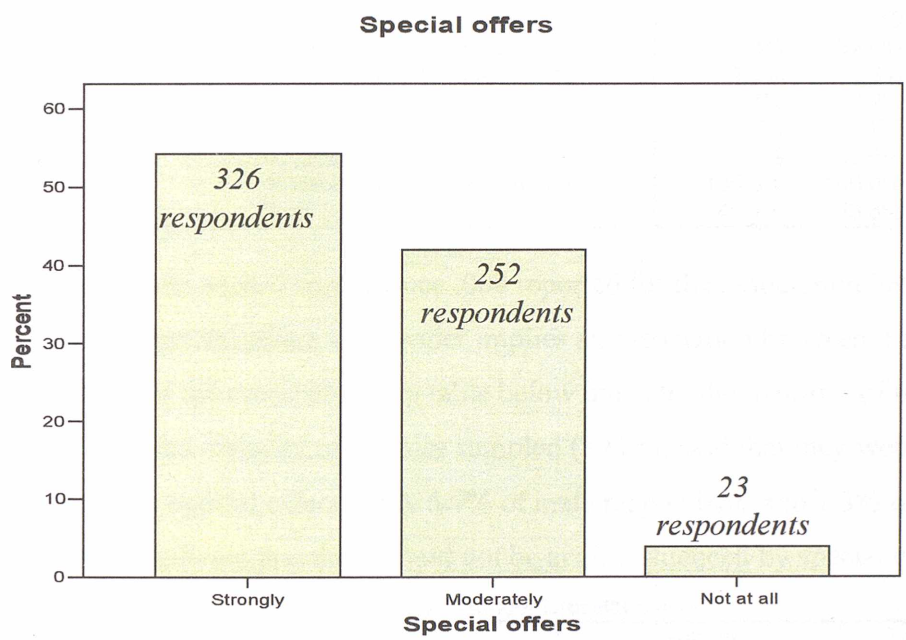
76.5% of the 595 valid responses consider short-term promotions to be part of CRM. In spite of the balance in distribution of the responses, the testing of hypotheses revealed no association between beliefs about this activity and the demographics of the respondents or the usage of hotels by guests.



As discussed in Chapter One, price elasticity is considered to be an integral part of marketing strategy. Within the hotel industry, short term promotions are often used to increase occupancy levels and to increase brand awareness. The statistically significant percentage of agreement could indicate that guests as well as employees associate CRM with such promotions. Although it is not denied that short-term promotions can enhance CRM campaigns in particular in the attraction of new guests and price-sensitive customers, these should only be considered as a tactic rather than a CRM strategy. Indeed, not only is it not possible to sustain price cuts in the long term, but when done too frequently, these could arguably erode a hotel company's position in the market place. However, the 23.53% in disagreement highlights that CRM is also considered to be much more than a short-term financial incentive.

Special offers

The majority of the 601 valid responses, 54.2% indicated that special offers would strongly influence their interest in CRM programmes. Only 3.8% stated that these would not influence them at all.



When hypotheses of association were tested, three factors, namely type of respondent, gender and guests' employment, were found not to be independent to the influence of special offers. Accordingly, the null hypotheses set for these three relationships were rejected in favour of the alternative hypotheses that stipulate that these variables are not independent.

The Pearson chi square significance .010 reported for the association between the influence of special offers and the type of respondent indicates a relationship. As the findings of the following crosstabulation table point to, the majority of the sampled employees (53.4%) and the majority of the sampled guests (55.0%) said that would be strongly influenced by special offers. A minimal percentage of these two populations, 1.4% of employees and 5.9% of guests, said that special offers would not influence them at all.

Special offers * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Special offers	Strongly	Count	149	177	326
		% within Special offers	45.7%	54.3%	100.0%
		% within Type of Respondent	53.4%	55.0%	54.2%
		% of Total	24.8%	29.5%	54.2%
	Moderately	Count	126	126	252
		% within Special offers	50.0%	50.0%	100.0%
		% within Type of Respondent	45.2%	39.1%	41.9%
		% of Total	21.0%	21.0%	41.9%
	Not at all	Count	4	19	23
		% within Special offers	17.4%	82.6%	100.0%
		% within Type of Respondent	1.4%	5.9%	3.8%
		% of Total	.7%	3.2%	3.8%
Total		Count	279	322	601
		% within Special offers	46.4%	53.6%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.4%	53.6%	100.0%

The Pearson chi square significance .008 reported for the association between the influence of special offers and gender implies an association between these variables. As the findings of the crosstabulation table below indicate, the majority of males sampled (50.7%) and the majority of females sampled (59.2%) said that they would be strongly influenced by special offers. Only 5.7% of male respondents and 1.3% of female respondents indicate that they would not be at all influenced by special offers.

Special offers * Gender Crosstabulation

			Gender		Total
			Male	Female	
Special offers	Strongly	Count	178	142	320
		% within Special offers	55.6%	44.4%	100.0%
		% within Gender	50.7%	59.2%	54.1%
		% of Total	30.1%	24.0%	54.1%
	Moderately	Count	153	95	248
		% within Special offers	61.7%	38.3%	100.0%
		% within Gender	43.6%	39.6%	42.0%
		% of Total	25.9%	16.1%	42.0%
	Not at all	Count	20	3	23
		% within Special offers	87.0%	13.0%	100.0%
		% within Gender	5.7%	1.3%	3.9%
		% of Total	3.4%	.5%	3.9%
Total		Count	351	240	591
		% within Special offers	59.4%	40.6%	100.0%
		% within Gender	100.0%	100.0%	100.0%
		% of Total	59.4%	40.6%	100.0%

The Pearson chi square significance .008 reported for the association between the influence of special offers and whether a guest has a professional or managerial position or not, implies that a relationship exists between these two variables. The findings of the crosstabulation table below indicate that the majority of sampled guests in professional or managerial positions (49.5%) and the majority of sampled guests not in a professional or managerial position (63.9%) would be strongly influenced by special offers. Only 8.5% of sampled guests in professional or managerial positions and 1.7% of sampled guests not in a professional or managerial position would not be at all influenced by special offers.

Special offers * New groups of guest's employment Crosstabulation

			New groups of guest's employment		Total
			Professional or Managerial	Not Professional or Managerial	
Special offers	Strongly	Count	99	76	175
		% within Special offers	56.6%	43.4%	100.0%
		% within New groups of guest's employment	49.5%	63.9%	54.9%
		% of Total	31.0%	23.8%	54.9%
	Moderately	Count	84	41	125
		% within Special offers	67.2%	32.8%	100.0%
		% within New groups of guest's employment	42.0%	34.5%	39.2%
		% of Total	26.3%	12.9%	39.2%
	Not at all	Count	17	2	19
		% within Special offers	89.5%	10.5%	100.0%
		% within New groups of guest's employment	8.5%	1.7%	6.0%
		% of Total	5.3%	.6%	6.0%
Total		Count	200	119	319
		% within Special offers	62.7%	37.3%	100.0%
		% within New groups of guest's employment	100.0%	100.0%	100.0%
		% of Total	62.7%	37.3%	100.0%

The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, influence of special offers, and the three variables, type of respondent, gender and employment level of guests, with which the chi square statistic previously revealed no independence. However, no three-way or four-way relationship was uncovered.

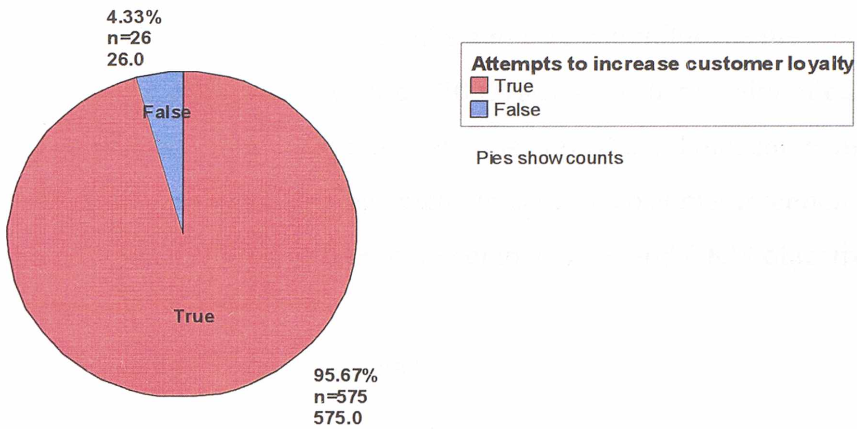
Academics including Chen and Popovich (2003) advocate that lower costs used to satisfy guests but that nowadays such incentives are no longer considered enough to attract and maintain customers. However, even though CRM is conceptually not intended to focus on pricing, the statistically significant percentages revealed by the findings of the above crosstabulations table, indicate that a majority of guests and employees are in fact influenced by such incentives. Thus, these findings contradict some of the contentions discussed during the secondary research whereby it was argued that CRM is about superior customer service rather than short term financial incentives. Still, even though within the hotel industry, special offers more often than not tend to revolve around such financial incentives, these should by no means be considered equivalent to a company's strategy even in cases where a hotel chain is adopting the low price strategies discussed in Chapter One. Indeed, special offers are tactics, which should only be used to help meet short-term objectives. In fact, rather than emphasize such price cutting, CRM is instead meant to allow companies to protect their price margins (Rich, 2000).

CRM as a strategy to retain customers

As identified during the critique of the literature, with increasing competition prevailing in the hotel industry, the retention of customers is becoming crucial. As a matter of fact, Kandampully and Duddy (1999b) have even suggested that hoteliers should concentrate on retention marketing. Additionally, as customer retention has been advocated to be one of the aims of CRM (Davies, 2001b; Chen and Popovich, 2003), the use of CRM by hotel companies to enhance customer loyalty is thus considered particularly pertinent. It is however argued that this strategy will also depend on other factors such as the geographic positioning and offerings of the hotels.

Attempts to increase customer loyalty

Although 95.7% of the 601 valid responses agreed that hotel companies' attempts to increase customer loyalty is part of CRM activities, when hypotheses of associations were tested, no relationship was identified between the demographics of the respondents or guests' usage of hotels and the respondents' beliefs about whether attempting to increase customer loyalty is an activity, which is part of CRM or not. Notwithstanding, the statistically significant number of respondents who believed this activity to be true arguably implies that the guests as well as the employees sampled support academia's standpoint that customer retention is intricately connected to CRM.



Customer commitment is considered to be one of the fundamental areas in which Relationship Marketing is deemed different from Traditional Marketing (Christopher et al., 1991). While it is agreed that Gremler and Brown's (1996) contention that loyalty towards products tends to be easier to acquire, is relevant to the hotel industry due to the fact that it is easier to promote and maintain hotel facilities and accommodation standards, it is however argued that customer service can also be used to lure existing customers back to hotels. Indeed, although Gremler and Brown's contention could imply that within the hotel industry loyalty towards hotel facilities is more achievable that loyalty towards services, studies conducted within the hotel sector have revealed that customers actually return to hotels because of service levels (Strategic Direction, 2004). This point is discussed further when the responses about the service offered by employees are reviewed later in this chapter.

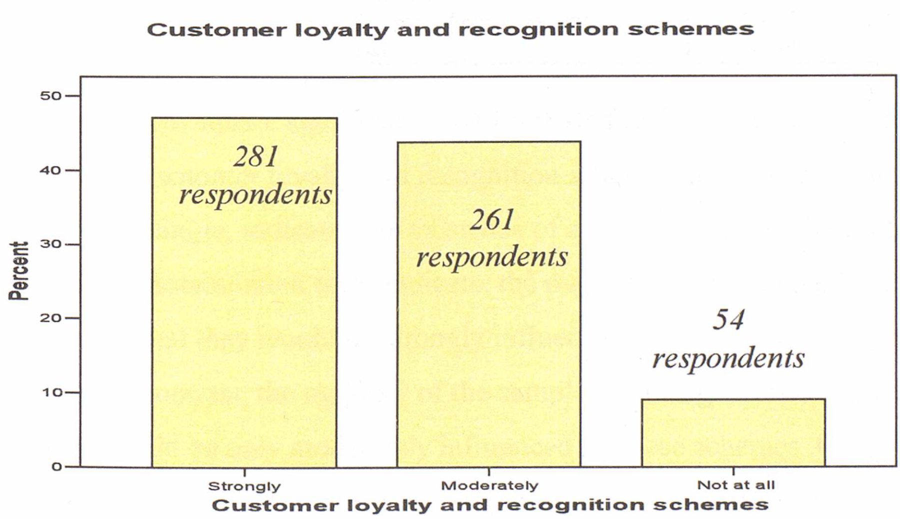
Macintosh and Lockshin's (1998) argument that service loyalty is more dependent on the development of relationships rather than on what is actually on offer strengthens the argument that attempts to increase customer loyalty can focus on hotel facilities as well as service. However, it also highlights how relationships with customers are much more significant when hotel companies are in fact attempting to retain customers because of their service levels.

Hotel companies can increase customer loyalty not only through facilities and service, but through CRM incentives such as loyalty schemes and other incentives. While Goymour (2001) acknowledges that benefits and care can influence the creation of customer loyalty, Reichheld and Schefter (2000) advocate that loyalty of customers is won through superior customer experiences. It is argued that hotel companies should determine specific ways in which they intend to achieve customer retention. These, it is emphasised, should be aligned to their core competencies and CRM objectives.

Customer loyalty and recognition schemes

Specific resources and capabilities can be used by hotels to enhance customer loyalty. In recent years, as is discussed in Chapters One and Three, there has been an influx of customer loyalty and recognition schemes.

Almost the majority of the 596 valid responses, 47.1% stated that customer loyalty and recognition schemes would strongly influence their interest in CRM programmes. While 43.8% indicated that they would be only moderately influenced, only 9.1% stated that this factor would not influence them at all. When hypotheses of association were tested two factors, type of respondent and marital status, were found not to be independent to the influence of customer loyalty and recognition schemes. Accordingly, the null hypotheses set for these two relationships were rejected in favour of the alternative hypotheses that stipulate that these variables are not independent.



The Pearson chi square significance .000 reported for the association between the influence of customer loyalty and recognition schemes and the type of respondent indicates a relationship between these two variables. As the findings of the crosstabulation table below indicate, the majority of the employees (55.2%) said that they would be strongly influenced by customer loyalty and recognition schemes. The majority of the guests (47.0%) said that they would be moderately influenced by customer loyalty and recognition schemes. Only 4.7% of employees and 12.9% of guests sampled said that they would not be at all influenced by such schemes. Notwithstanding, the fact the latter is seen to influence guests is considered significant as in recent years hotel chains have been investing in such programmes and indeed have centred many CRM strategies and campaigns on customer loyalty and recognition schemes.

Customer loyalty and recognition schemes * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Customer loyalty and recognition schemes	Strongly	Count	154	127	281
		% within Customer loyalty and recognition schemes	54.8%	45.2%	100.0%
		% within Type of Respondent	55.2%	40.1%	47.1%
		% of Total	25.8%	21.3%	47.1%
	Moderately	Count	112	149	261
		% within Customer loyalty and recognition schemes	42.9%	57.1%	100.0%
		% within Type of Respondent	40.1%	47.0%	43.8%
		% of Total	18.8%	25.0%	43.8%
	Not at all	Count	13	41	54
		% within Customer loyalty and recognition schemes	24.1%	75.9%	100.0%
		% within Type of Respondent	4.7%	12.9%	9.1%
		% of Total	2.2%	6.9%	9.1%
Total		Count	279	317	596
		% within Customer loyalty and recognition schemes	46.8%	53.2%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.8%	53.2%	100.0%

The Pearson chi square significance .019 reported for the association between the influence of customer loyalty and recognition schemes and whether the respondent is single or not single, indicates the existence of a relationship. As the findings of the following crosstabulation table indicate, the majority of the sampled single respondents, 52.6%, said that they would be strongly influenced by customer loyalty and recognition schemes. In contrast, the majority of the sampled not single respondents, 49.0%, said that they would be only moderately influenced by these schemes. Only 7.7% of single respondents and 10.1% of not single respondents sampled said that they would not be at all influenced by such schemes.

Customer loyalty and recognition schemes * New groups of status Crosstabulation

			New groups of status		Total
			Single	Not single	
Customer loyalty and recognition schemes	Strongly	Count	151	117	268
		% within Customer loyalty and recognition schemes	56.3%	43.7%	100.0%
		% within New groups of status	52.6%	40.9%	46.8%
		% of Total	26.4%	20.4%	46.8%
	Moderately	Count	114	140	254
		% within Customer loyalty and recognition schemes	44.9%	55.1%	100.0%
		% within New groups of status	39.7%	49.0%	44.3%
		% of Total	19.9%	24.4%	44.3%
	Not at all	Count	22	29	51
		% within Customer loyalty and recognition schemes	43.1%	56.9%	100.0%
		% within New groups of status	7.7%	10.1%	8.9%
		% of Total	3.8%	5.1%	8.9%
Total		Count	287	286	573
		% within Customer loyalty and recognition schemes	50.1%	49.9%	100.0%
		% within New groups of status	100.0%	100.0%	100.0%
		% of Total	50.1%	49.9%	100.0%

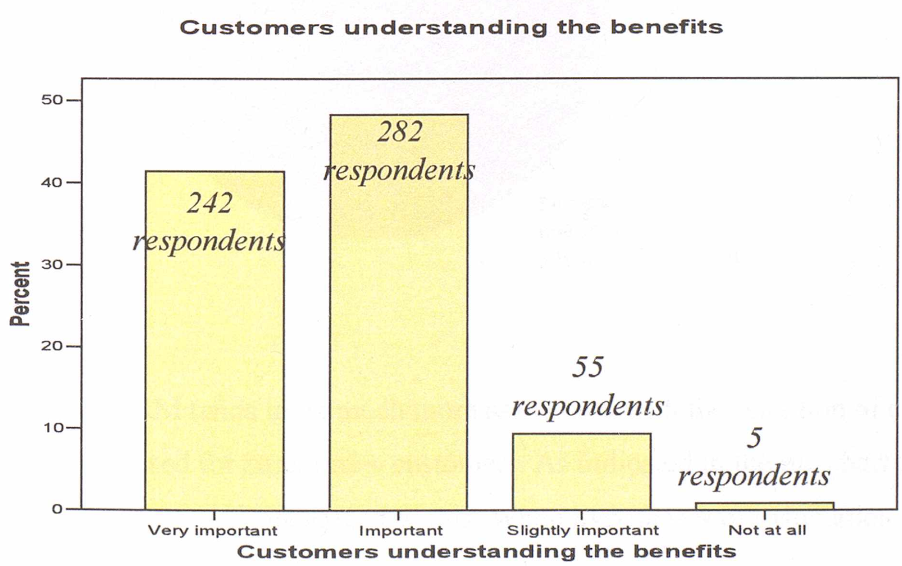
The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, influence of customer loyalty and recognition schemes, and the two variables type of respondent and marital status, with which the chi square statistic previously revealed no independence. However, no three-way relationship was uncovered.

As revealed in the definitions discussed in Chapter Two, Relationship Marketing entails the fostering of close relationships with existing guests. In terms of the rewards that they tend to offer, customer loyalty and recognition schemes are arguably used to nurture existing customers. With a statistically significant 90.9% of the respondents indicating that this feature would have some influence on them, it is argued that customer loyalty and recognition schemes are indeed working in their objective to influence guests. Accordingly, they should be used to enhance the CRM strategies of hotel companies. However, as different segments of guests may perceive benefits differently (Long and Schiffman, 2000), it is argued that guests are bound to have different degrees of affinity and commitment to the incentives and rewards which these schemes provide. Furthermore, as is emphasized by Macintosh and Lockshin (1998), loyalty to service is more dependent on the development of relationships than on incentives and rewards. Therefore, it is recommended that hotel companies should find out what their core customers and their targeted customers seek before trying to entice them with customer loyalty and recognition schemes. Thereafter the incentives and rewards offered by customer loyalty and recognition schemes should be aligned to the genuine needs and wants of these customers.

Customers understanding the benefits

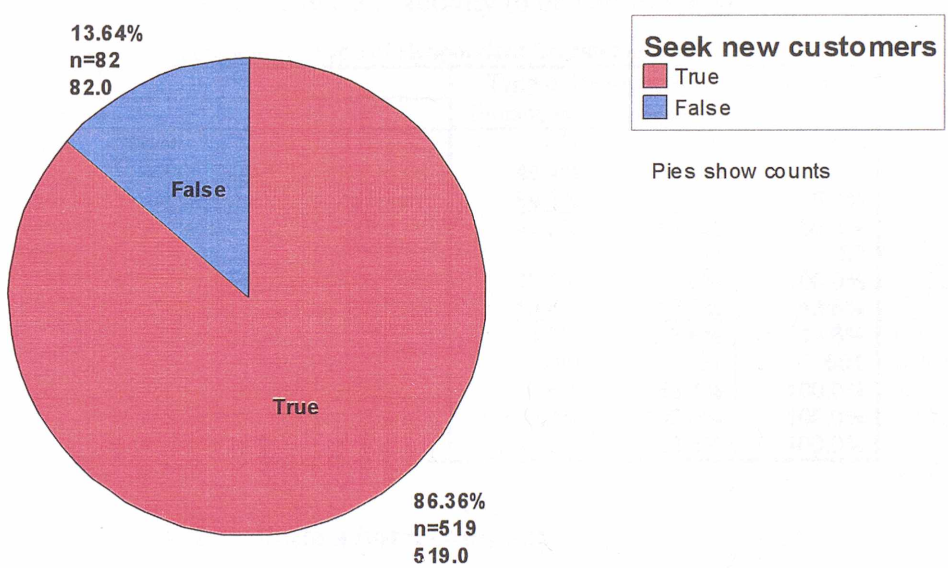
The rewarding of loyal customers is currently popular within the hotel industry. Rewards offered vary from preferential prices to the upgrading of reservations. However, CRM rewards will only achieve the intended customer retention sought if benefits are created for customers (Bharadwaj et al., 1993). As different customers perceive benefits differently (Botschen et al., 1999), hotel chains therefore need to ensure that the benefits they offer are aligned to what is considered truly important by their targeted customers.

The majority of the 584 valid responses, 48.3%, considered customers understanding the benefits of CRM to be important to the success of CRM. In fact, 41.4% said that this factor is very important. Only 9.4% of the sampled respondents thought that this factor is not at all important.



However, when hypotheses of association were tested, all variables were found to be independent to the importance attributed to this factor. Notwithstanding, the fact that most respondents allocated some importance to this factor arguably strengthens the contention that for customers to be inspired to engage in CRM programmes, they need to be made aware of how beneficial these programmes can be to them. Indeed, unless customers see some benefit to them, they are unlikely to be enthusiastic about participating in such schemes. Thus, in addition to segmenting customers on the benefit level, hotel companies should ensure that their customers are aware of the benefits which CRM programmes can offer them. Furthermore, hotel chains should continuously and actively promote their CRM offerings in line with the needs and wants of their customers. Only then, would customers be truly interested to join CRM schemes and remain enthusiastic about these programmes.

Seek new customers



Although CRM tends to be much more associated with the retention of customers, CRM can also be used for attract new customers. As indicated in the pie chart above, 86.4% of the sampled respondents agreed to this. When hypotheses of associations were tested, only one factor, type of respondent, was found not to be independent to respondents' belief about whether the search for new customers is part of CRM. Accordingly, the null hypothesis set for this relationship was rejected in favour of the alternative hypothesis that stipulates that these variables are not independent. However, the high percentage of respondents who agreed that seeking customers is a CRM activity supports academia's contention that customer attraction can be an important objective of CRM. Indeed, as discussed in Chapter Two, the general consensus within academia is that Relationship Marketing and thus CRM can be used to not only retain existing customers but also to attract new ones.

The Pearson chi square significance .028 reported for the association between this activity and the type of respondent indicates a relationship between these two variables. As revealed by the findings of the crosstabulation table below, the majority of the sampled employees (89.6%) and the majority of the sampled guests (83.5%) agree that seeking new customers is part of CRM. In fact only 10.4% of the employees and 16.5% of the guests sampled do not consider this activity to be part of CRM.

Seek new customers * Type of Respondent Crosstabulation

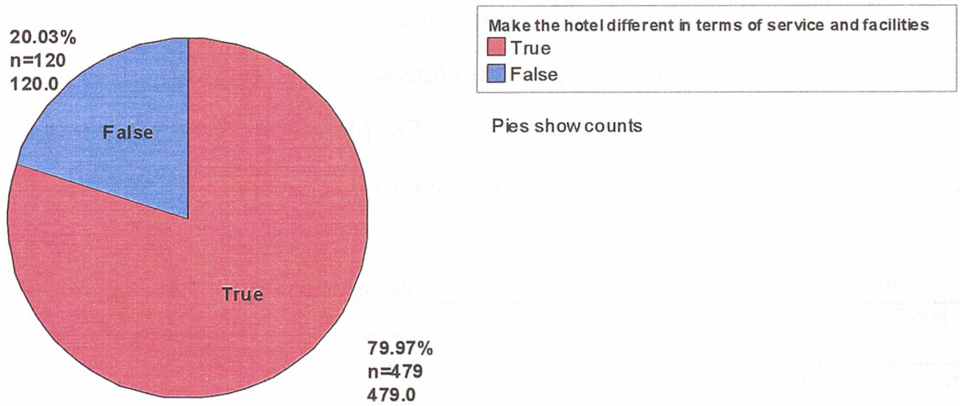
			Type of Respondent		Total
			Employee	Guest	
Seek new customers	True	Count	251	268	519
		% within Seek new customers	48.4%	51.6%	100.0%
		% within Type of Respondent	89.6%	83.5%	86.4%
		% of Total	41.8%	44.6%	86.4%
	False	Count	29	53	82
		% within Seek new customers	35.4%	64.6%	100.0%
		% within Type of Respondent	10.4%	16.5%	13.6%
		% of Total	4.8%	8.8%	13.6%
Total		Count	280	321	601
		% within Seek new customers	46.6%	53.4%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.6%	53.4%	100.0%

CRM as a strategy to differentiate a hotel company

There are distinct ways in which hotel chains can attain competitive advantage with their CRM initiatives. Building upon the discussions conducted in Chapter One, it is argued that hotel chains CRM strategies should be aligned to the type of competitive advantage, which they seek. Thus depending on the objective of a hotel chain and its strategic focus or indeed foci, the quality of hotel facilities or the service offered by its employees may be predominant in their CRM initiatives. Indeed, both of these features could indeed be the foci of differentiation.

<u>Make the hotel different in terms of service and facilities</u>

80.0% of the 599 valid responses indicated that the sampled respondents consider making the hotel different in terms of service and facilities to be part of CRM. When hypotheses of associations were tested two variables, type of respondent and age, were found not to be independent to the belief that the provision of value in terms of service is part of CRM. Accordingly, the null hypotheses set for these two relationships were rejected in favour of the alternative hypotheses that stipulate that these variables are not independent.



The Pearson chi square significance .001 reported for the association between beliefs about making the hotel different in terms of service and facilities, and whether the respondent is a guest or an employee indicates that an association between these two variables. As the findings of the following crosstabulation table indicate, the majority of employees (85.8%) and the majority of guests (74.8%) believe that making the hotel different in terms of service and facilities part of CRM. The fact that a high percentage of guests and employees consider this activity to be part of CRM activities arguably indicates that respondents generally appreciate the relevance of differentiation within the hotel industry in contemporary terms. Indeed the following table arguably also shows that CRM may indeed be associated within this search for differentiation.

Make the hotel different in terms of service and facilities * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Make the hotel different in terms of service and facilities	True	Count	242	237	479
		% within Make the hotel different in terms of service and facilities	50.5%	49.5%	100.0%
		% within Type of Respondent	85.8%	74.8%	80.0%
		% of Total	40.4%	39.6%	80.0%
	False	Count	40	80	120
		% within Make the hotel different in terms of service and facilities	33.3%	66.7%	100.0%
		% within Type of Respondent	14.2%	25.2%	20.0%
		% of Total	6.7%	13.4%	20.0%
Total		Count	282	317	599
		% within Make the hotel different in terms of service and facilities	47.1%	52.9%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	47.1%	52.9%	100.0%

The Pearson chi square significance .043 reported for the association between beliefs about this activity and the age of the respondent indicates a relationship between these two variables. As the findings of the crosstabulation table below indicate, the majority of respondents younger than 35 years old (82.7%) and the majority of respondents older than 35 years old (75.8%) believe that making the hotel different in terms of service and facilities is part of CRM.

Make the hotel different in terms of service and facilities * New age groups Crosstabulation

			New age groups		Total
			Younger	Older	
Make the Hotel different in terms of service and facilities	True	Count	286	182	468
		% within Make the hotel different in terms of service and facilities	61.1%	38.9%	100.0%
		% within New age groups	82.7%	75.8%	79.9%
		% of Total	48.8%	31.1%	79.9%
	False	Count	60	58	118
		% within Make the hotel different in terms of service and facilities	50.8%	49.2%	100.0%
		% within New age groups	17.3%	24.2%	20.1%
		% of Total	10.2%	9.9%	20.1%
Total		Count	346	240	586
		% within Make the hotel different in terms of service and facilities	59.0%	41.0%	100.0%
		% within New age groups	100.0%	100.0%	100.0%
		% of Total	59.0%	41.0%	100.0%

The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, belief about whether making the hotel different in terms of service and facilities is part of CRM activities, and the two variables, type of respondent and age, with which the chi square statistic previously revealed no independence. However, as the standard error value, Z-Value, reported for the three-way interaction was -.61414, no three-way relationship is seen to exist.

As indicated by the statistically significant number of the respondents who believe this activity to be part of CRM, specific internal resources and capabilities can by all means create competitive advantage (Bharadwaj et al., 1993) in terms of CRM. While employees can help achieve service differentiation (Rogers et al., 1994; Sanes, 1996), a high quality of product can also be a determinant factor in a hotel being and remaining different from its competitors.

CRM AS AN ENHANCER OF THE BASIC OFFERINGS OF HOTEL CHAINS

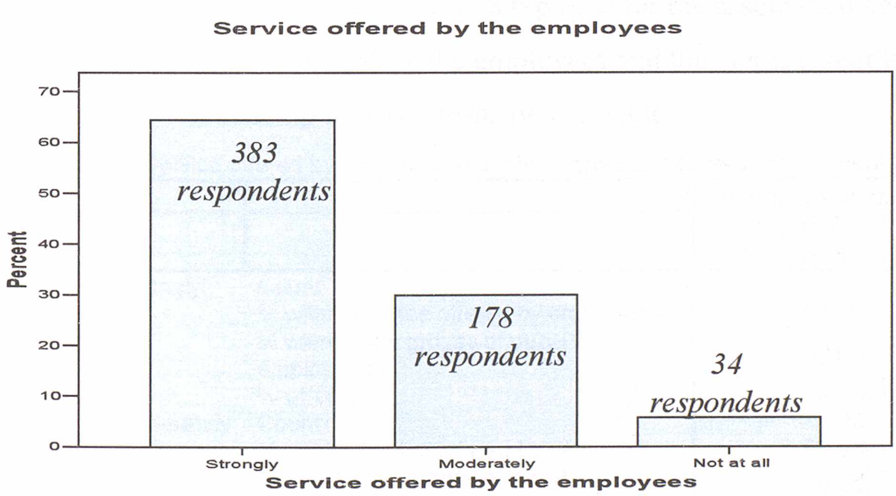
Customer Service is the pinnacle of hotel operations

Customer service, a crucial element within hotel operations, is considered to be one of the dimensions of contrast between Traditional Marketing and Relationship Marketing (Christopher et al., 1991). As discussed in Chapter Two and Three, CRM has grown out of companies' attempts to offer better service to guests than their competitors do (Gledhill, 2002b). However, as succinctly highlighted by Grönroos (1994b), service management is more of a perspective rather than a discipline or one coherent area. Consequently, while the ways in which hotel chains embrace CRM with regards to customer service is bound to be varied, it is also anticipated that customers and guests may also have different perceptions about the role of customer service within CRM.

Service offered by the employees

Although customer service is considered to be part of the basic offerings of the hotel industry (Teare, 1993; Eccles and Durand, 1997a; Paraskevas, 2001), the significance attributed to customer service appears to be slightly varied. While Nolan (2002) highlights how the service quality of employees is a vital asset that can distinguish one hotel company from another, Maxwell and Lyle (2002) identifies how employees are the core of a company's strategy to meet customer needs in terms of customer service. It has even been advocated that many managers and organization consider the service quality of their employees to be paramount to the success of their companies (Pallet et al., 2003; Taylor and Davies, 2004).

The majority of the 595 valid responses, 64.4%, indicated that the service offered by the employees would strongly influence their interest in CRM programmes. The testing of hypotheses of associations revealed that two variables, type of respondent and employment level of the guests, were not independent of the influence of the service offered by the employees. Thus, the null hypotheses set for these two relationships were rejected in favour of the alternative hypotheses that stipulate that the variables are not independent.



The Pearson chi square significance .001 reported for the association between the influence of the service offered by the employees and whether the respondent is a guest or employee indicates an association between these two variables. As the findings of the following crosstabulation table indicate, the majority of employees (72.0%) and the majority of guests (57.6%) said that they would be strongly influenced by the service offered by the employees. Albeit varied, the influence of the service offered by the employees is clearly illustrated by the fact that only 3.6% of the employees sampled and 7.6% of the guests sampled indicated that they would not at all be influenced by this factor.

Service offered by the employees * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Service offered by the employees	Strongly	Count	201	182	383
		% within Service offered by the employees	52.5%	47.5%	100.0%
		% within Type of Respondent	72.0%	57.6%	64.4%
		% of Total	33.8%	30.6%	64.4%
	Moderately	Count	68	110	178
		% within Service offered by the employees	38.2%	61.8%	100.0%
		% within Type of Respondent	24.4%	34.8%	29.9%
		% of Total	11.4%	18.5%	29.9%
	Not at all	Count	10	24	34
		% within Service offered by the employees	29.4%	70.6%	100.0%
		% within Type of Respondent	3.6%	7.6%	5.7%
		% of Total	1.7%	4.0%	5.7%
Total		Count	279	316	595
		% within Service offered by the employees	46.9%	53.1%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.9%	53.1%	100.0%

The Pearson chi square significance .028 reported for the association between the influence of the service offered by the employees and the employment level of guests also implies a relationship between these two variables.

Service offered by the employees * New groups of guest's employment Crosstabulation

			New groups of guest's employment		Total
			Professional or Managerial	Not Professional or Managerial	
Service offered by the employ- -yees	Strongly	Count	122	59	181
		% within Service offered by employees	67.4%	32.6%	100.0%
		% within New groups of guest's employment	62.6%	50.0%	57.8%
		% of Total	39.0%	18.8%	57.8%
	Moderately	Count	57	52	109
		% within Service offered by employees	52.3%	47.7%	100.0%
		% within New groups of guest's employment	29.2%	44.1%	34.8%
		% of Total	18.2%	16.6%	34.8%
	Not at all	Count	16	7	23
		% within Service offered by employees	69.6%	30.4%	100.0%
		% within New groups of guest's employment	8.2%	5.9%	7.3%
		% of Total	5.1%	2.2%	7.3%
Total		Count	195	118	313
		% within Service offered by employees	62.3%	37.7%	100.0%
		% within New groups of guest's employment	100.0%	100.0%	100.0%
		% of Total	62.3%	37.7%	100.0%

As indicated by the findings of the previous crosstabulation table, the majority of sampled guests employed in a professional or managerial position (62.6%) and the majority of sampled guests not employed in a professional or managerial position (50.0%) said that they would be strongly influenced by the service offered by the employees. However, a relatively high percentage of the guests not employed in a professional or managerial position sampled (44.1%) indicated that they would only be moderately influenced by the service offered by the employees. The overall influence of the service offered by the employees is clearly illustrated by the fact that only 8.2% of the sampled guests employed in a professional or managerial position and 5.9% of the sampled guests not employed in a professional or managerial position indicated that they would not at all be influenced by this factor.

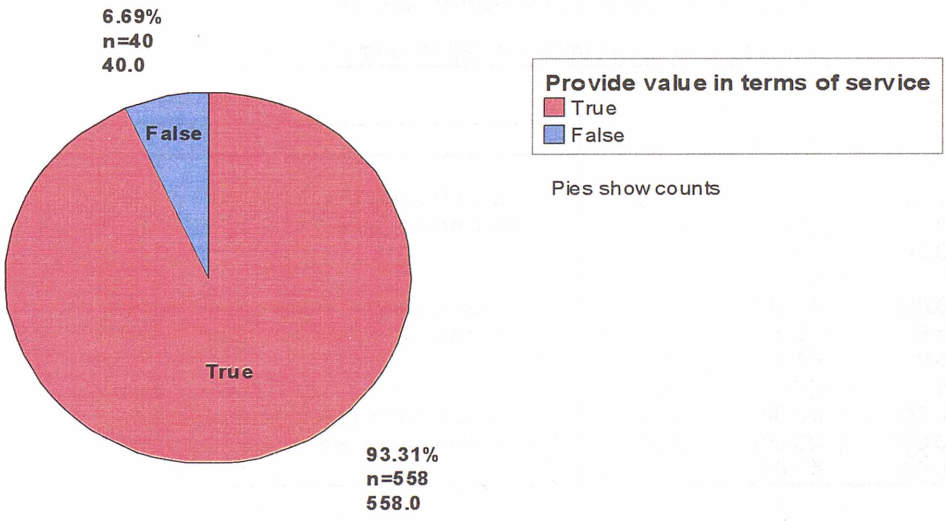
The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, influence of service of employees, and the two variables, type of respondent and guests' employment level, with which the chi square statistic previously revealed no independence. However, no three-way relationship was uncovered.

The fact that only 5.7% of the respondents stated that the service offered by the employees would not influence them at all arguably supports the contention that the behaviour of employees, in particular those who have much contact with guests, can influence the development of relationships with customers. As it has even been argued that the quality of service personnel will affect the perceptions of guests (Parasuraman and Berry, 1991), the level of customer service offered by employees is thus deemed critical to the success of CRM within hotel operations. Indeed, even though it is agreed that as discussed earlier, hotel companies can choose to focus on the quality of their facilities to differentiate themselves from their competitors and to retain their customers, it is argued that unless customer service meets expected standards, CRM incentives would not be successful in the long-term. Thus, although this factor seems to be often ignored by academia when CRM is discussed, it is contended that this element is crucial for the short-term as well as long-term success of CRM within the context of the hotel industry.

Provide value in terms of service

Customer service is an integral part of hotel offerings. However, it is argued that customer expectations in terms of service have been rising. Indeed customers seem to be increasingly expecting higher levels of service and added value from hotels.

The findings of the questionnaires support these arguments. As a matter of fact, 93.3% of the 598 valid responses indicated that respondents believe that the provision of value in terms of service is a CRM activity. When hypotheses of associations were tested, two variables were identified as not being independent to the beliefs about the provision of value in terms of service. These are: type of respondent and purpose of visit of the guest at the time of the enquiry. Subsequently, the null hypotheses set for these two relationships were rejected in favour of the alternative hypotheses that stipulate that the sets of two variables are not independent.



As a Pearson chi square significance .011 was reported for the association between the beliefs about whether the provision of value in terms of service is part of CRM and whether the respondent is a guest or employee, an association was found to exist between these two variables. As the findings of the following crosstabulation table indicate, the strong majority of sampled employees (96.1%) and sampled guests (90.9%) agree that the provision of value in terms of service is part of CRM.

Provide value in terms of service * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Provide value in terms of service	True	Count	269	289	558
		% within Provide value in terms of service	48.2%	51.8%	100.0%
		% within Type of Respondent	96.1%	90.9%	93.3%
		% of Total	45.0%	48.3%	93.3%
	False	Count	11	29	40
		% within Provide value in terms of service	27.5%	72.5%	100.0%
		% within Type of Respondent	3.9%	9.1%	6.7%
		% of Total	1.8%	4.8%	6.7%
Total		Count	280	318	598
		% within Provide value in terms of service	46.8%	53.2%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.8%	53.2%	100.0%

The Pearson chi square significance .035 reported for the association indicates a between the beliefs about whether the provision of value in terms of service is part of CRM and whether the guest is at the hotel for business or leisure. The findings of the table below indicate that the majority of the sampled guests on leisure (86.7%) and sampled guests on business (93.7%) believe that this activity is part of CRM. However, the percentage of sampled guests on leisure (13.3%) who consider this activity not to be part of CRM activity is double the percentage of sampled guests on business (6.3%) who think so.

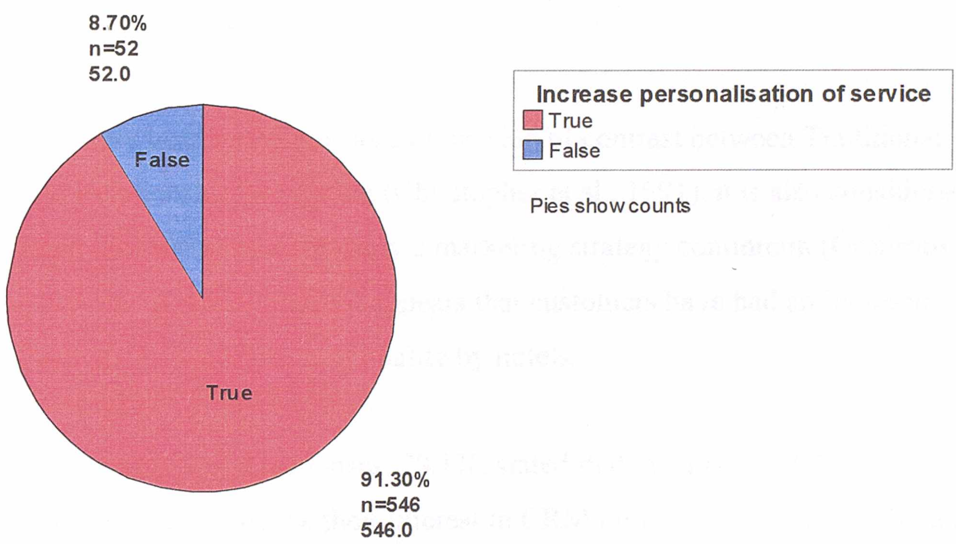
Provide value in terms of service * Purpose of this visit to the hotel Crosstabulation

			Purpose of this visit to the hotel		Total
			Leisure	Business	
Provide value in Terms of service	True	Count	117	164	281
		% within Provide value in terms of service	41.6%	58.4%	100.0%
		% within Purpose of this visit to the hotel	86.7%	93.7%	90.6%
		% of Total	37.7%	52.9%	90.6%
	False	Count	18	11	29
		% within Provide value in terms of service	62.1%	37.9%	100.0%
		% within Purpose of this visit to the hotel	13.3%	6.3%	9.4%
		% of Total	5.8%	3.5%	9.4%
Total		Count	135	175	310
		% within Provide value in terms of service	43.5%	56.5%	100.0%
		% within Purpose of this visit to the hotel	100.0%	100.0%	100.0%
		% of Total	43.5%	56.5%	100.0%

The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, beliefs about whether the provision of value in terms of service is part of CRM, and the two variables, type of respondent and purpose of guest's visit, with which the chi square statistic previously revealed no independence. However, no three-way relationship was uncovered. Still, as the majority of the sampled respondents agree that this activity is part of CRM, it is concluded that the general consensus is that the provision of added value in terms of customer service is integral to CRM.

Increase personalisation of service

In addition to expecting increasingly higher levels of customer service, as discussed in Chapter Three, there is a trend whereby customers appear to be expecting more personalisation with regards to their needs. The findings that the majority of the 598 valid responses, 91.3%, considered increasing personalisation of service to be part of CRM activities indicates how significant this factor is becoming in contemporary terms.



The testing of hypotheses of association revealed that demographic characteristics and hotel usage and the beliefs about whether the increase in personalisation of service is part of CRM activity are independent. Notwithstanding, the statistically significant high percentage of agreement about this activity being part of CRM is indicative of the trend, discussed by such academics as Solomon et al. (2002) and Chen and Popovich (2003) that customers have been moving away from mass consumption and its anonymity.

However, by indicating that both guests and employees acknowledge the growing importance of personalization of service within CRM, these findings contradict McColl-Kennedy and White's (1997) findings that only customers rate personalized service and individual attention as the most important determinant of good service. Although an objective of this thesis is to assess differential perceptions, it is indeed seen that guests and employees may have similar perceptions with regards to this activity within CRM.

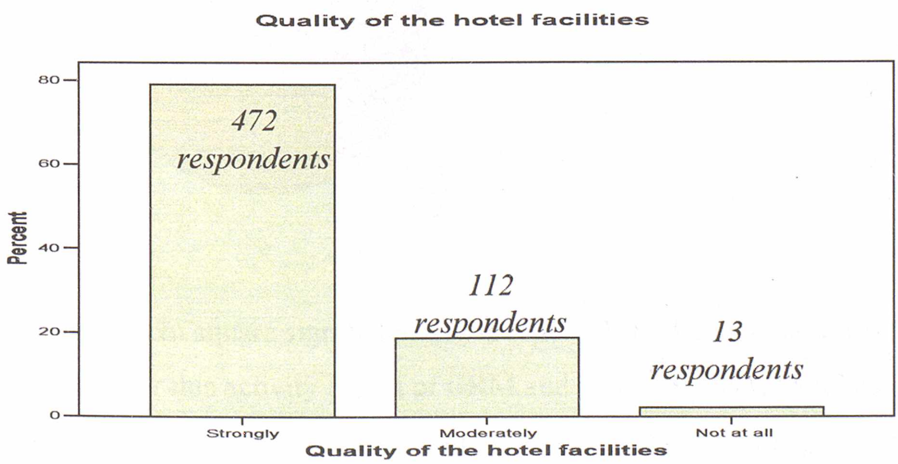
Back to Basics: The Product Element of Hotel Offerings

Although customer service is one of the main offerings of the hotel industry, the product element of hotel offerings is also a crucial dimension. Consequently, it is argued that within the hotel industry, CRM should involve both hotel products and services.

Quality of the hotel facilities

Quality has not only been postulated as a dimension of contrast between Traditional Marketing and Relationship Marketing (Christopher et al., 1991), it is also considered to be a dominating dimension in a company's marketing strategy continuum (Grönroos, 1994a). Meanwhile, in recent times, it appears that customers have had an increasingly stronger influence of the provision of quality by hotels.

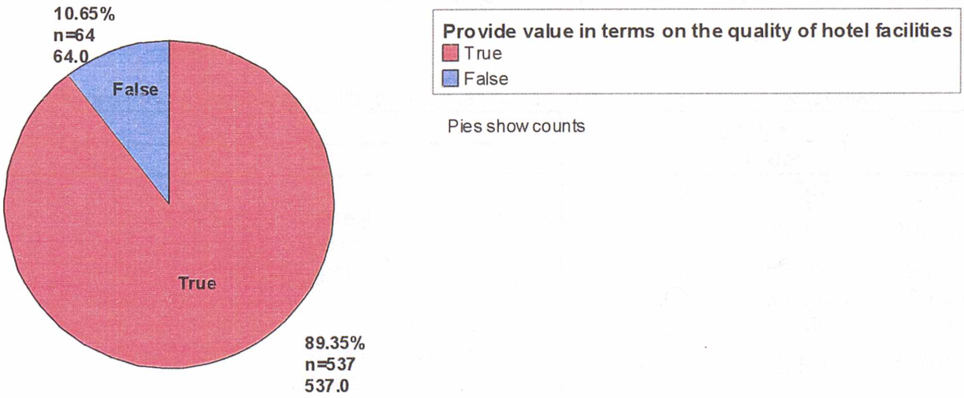
The majority of the 597 valid responses, 79.1%, stated that the quality of the hotel facilities would strongly influence their interest in CRM programmes. Only 2.2% said that this factor would not influence them at all. Although, when hypotheses of association were tested, no factor was found not to be independent to the influence of the quality of hotel facilities, the dominant agreement supports the contention that quality is a sought element of CRM (Motwani et al., 1996; Ekinci et al, 1998; Zineldin, 2000b).



Provide value in terms of the quality of hotel facilities

The improvement of the total performance of the entire value chain through the examination of each link and process can enhance costs and operations (McGuffog, 1997). However, holistic CRM calls for a focus on the value of the total offerings of an organization. Accordingly, a balance between being product-centric and customer-centric must be found (Gummesson, 2002). The achievement of this equilibrium is deemed particularly relevant to the maintenance of CRM within the hotel industry. Indeed, although the core CRM variables of value are relationships, networks and interaction, the product element is also a crucial element in the offering of value. As such the quality of hotel facilities is considered intricately linked with CRM.

89.4% of the 601 valid responses stated that they believe the provision of value in terms of the quality of hotel facilities to be part of CRM. When hypotheses of associations were tested, two factors: gender and age were found not to be independent of the respondents' beliefs about the provision of value in terms of the quality of hotel facilities. Thus, the null hypotheses set for these two relationships were rejected in favour of the alternative hypotheses stipulating that these variables are not independent.



The Pearson chi square significance .001 reported for the association between the beliefs about whether this activity is part of CRM and gender indicates a relationship between these two variables. The findings of the following crosstabulation table indicate that the majority of the males sampled (85.7%) and the majority of the females sampled (94.5%) consider the provision of value in terms of the quality of hotel facilities to be part of CRM.

Provide value in terms of the quality of hotel facilities * Gender Crosstabulation

			Gender		Total
			Male	Female	
Provide value in terms of the quality of hotel facilities	True	Count	305	224	529
		% within Provide value in terms on the quality of hotel facilities	57.7%	42.3%	100.0%
		% within Gender	85.7%	94.5%	89.2%
		% of Total	51.4%	37.8%	89.2%
	False	Count	51	13	64
		% within Provide value in terms on the quality of hotel facilities	79.7%	20.3%	100.0%
		% within Gender	14.3%	5.5%	10.8%
		% of Total	8.6%	2.2%	10.8%
Total		Count	356	237	593
		% within Provide value in terms on the quality of hotel facilities	60.0%	40.0%	100.0%
		% within Gender	100.0%	100.0%	100.0%
		% of Total	60.0%	40.0%	100.0%

The Pearson chi square significance .010 reported for the association between the beliefs about whether the provision of value in terms of the quality of hotel facilities is part of CRM activity and whether respondents are younger or older than 35 years old indicates a relationship between these two variables. As the findings of the crosstabulation table below indicate, the majority of the sampled respondents younger than 35 years old (92.2%) and the majority of the sampled respondents older than 35 years old (85.5%) consider the provision of value in terms of the quality of hotel facilities to part of CRM activity.

Provide value in terms of the quality of hotel facilities * New age groups Crosstabulation

			New age groups		Total
			Younger	Older	
Provide value in terms of the quality of hotel facilities	True	Count	319	207	526
		% within Provide value in terms on the quality of hotel facilities	60.6%	39.4%	100.0%
		% within New age groups	92.2%	85.5%	89.5%
		% of Total	54.3%	35.2%	89.5%
	False	Count	27	35	62
		% within Provide value in terms on the quality of hotel facilities	43.5%	56.5%	100.0%
		% within New age groups	7.8%	14.5%	10.5%
		% of Total	4.6%	6.0%	10.5%
Total		Count	346	242	588
		% within Provide value in terms on the quality of hotel facilities	58.8%	41.2%	100.0%
		% within New age groups	100.0%	100.0%	100.0%
		% of Total	58.8%	41.2%	100.0%

The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, beliefs about whether the provision of quality of hotel services is part of CRM, and the two variables, gender and age, with which the chi square statistic previously revealed no independence. As the standard error value, Z-Value, for this interaction was reported to be -2.08780, hence not within the range ±1.96, the null hypothesis:

H_0: Beliefs about whether the provision of quality of hotel services is part of CRM, gender and age are independent

was rejected in favour of the alternative hypothesis:

H_1: Beliefs about whether the provision of quality of hotel services is part of CRM, gender and age are not independent

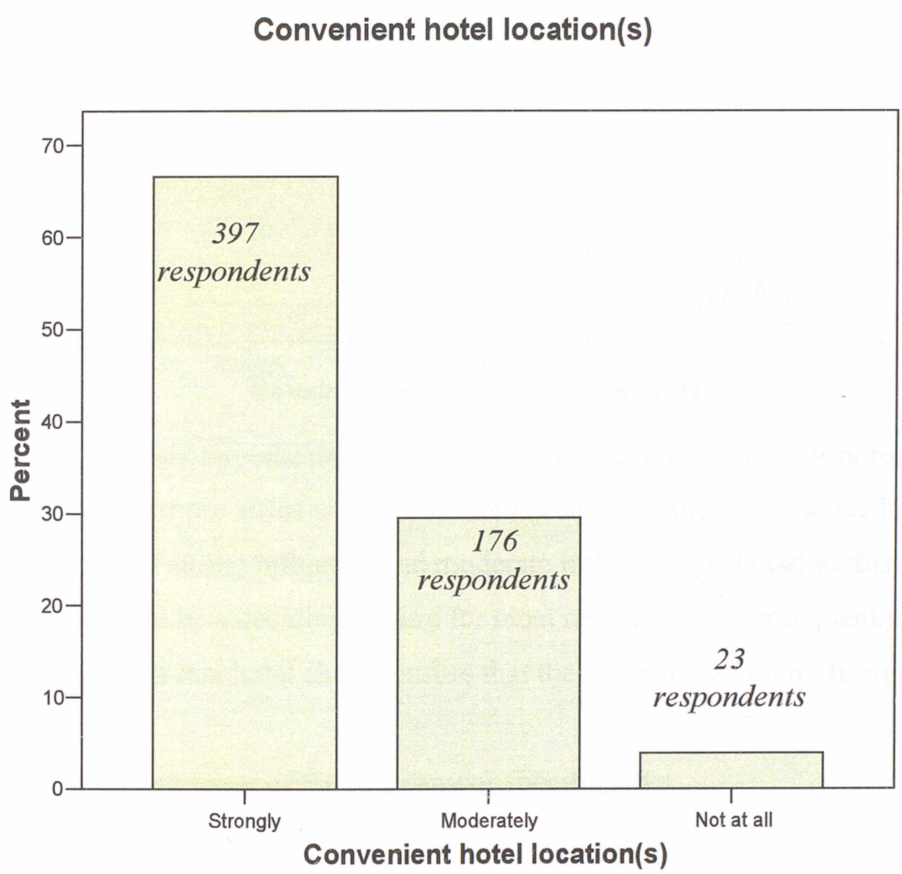
Thus, it was concluded that a three-way relationship exists among these three variables. Accordingly, it can be advocated that there is an association among gender, age and a respondents' beliefs about whether this activity is part of CRM or not.

The high percentage of agreement about the provision of value in terms of the quality of hotel facilities arguably also indicates that hotel companies should not only pay attention to guests' basic needs and wants, but also attempt to enhance their offerings. Only then, would hotel companies expect to genuinely be able to outperform their competitors by creating superior value for their customers.

Convenient hotel locations

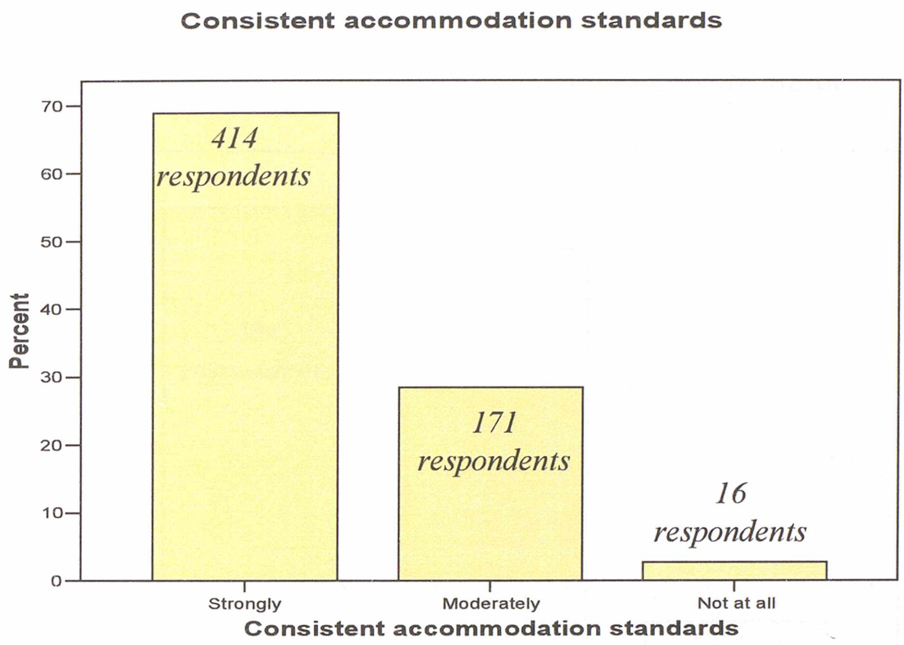
Competencies in terms of competitive advantage must not only reflect what core customers are really looking for, but also a company's resources and competencies (Johnson and Scholes, 2002). Thus, if hotel chains intend to promote the location of their hotels as part of their CRM campaigns, they need to ensure that this feature is targeted to customers, for whom the location of hotels is actually an influential factor.

Although when hypotheses of association were tested all factors were found to be independent to the influence of convenient hotel locations, the high percentage of respondents, who stated that this feature would strongly influence their interest in CRM programmes, 66.6% of the 596 valid responses, implies that the location of hotels is an important criterion to both the sampled guests and employees. In fact, only 3.9% stated that convenient hotel locations would not influence them at all.



Consistent accommodation standards

The maintenance of consistency is an attribute that appears to be sought by customers. Accordingly, as discussed in Chapter Three, many hotel chains have been focusing on the enhancement of their brand standards. The fact that the majority of the 601 valid responses, 68.9%, indicated that consistent accommodation standards would strongly influence their interest in CRM programmes clearly illustrate the importance of meeting this requirement for consistency. In fact only 2.7% of respondents stated that this factor would not influence them at all to join CRM programmes.

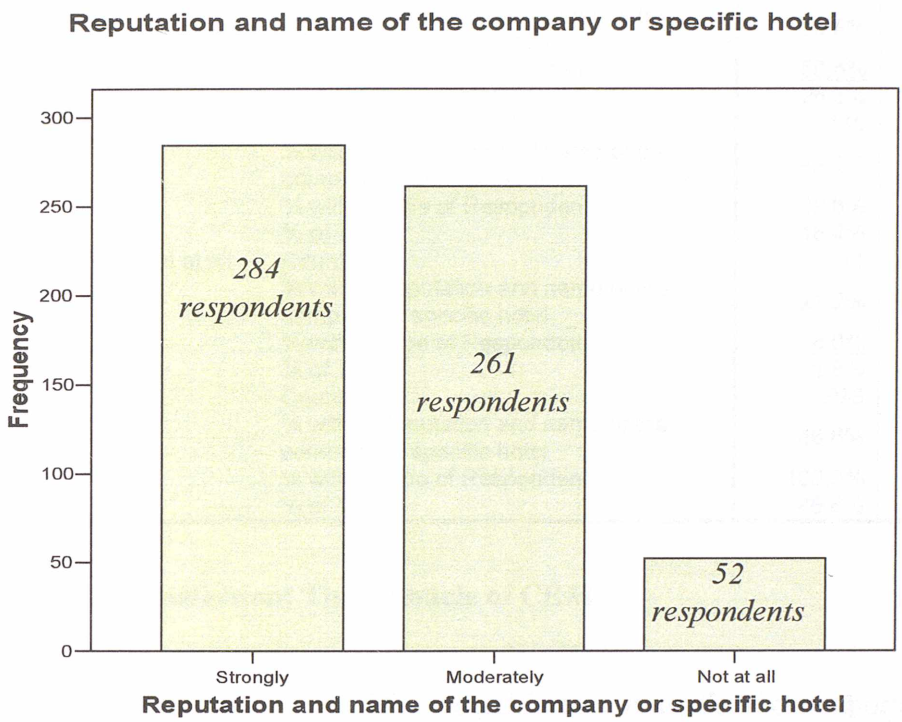


Although, when hypotheses of association were tested, no factor was found not to be independent of the influence of consistent accommodation standards, the high percentage of strong influence and moderate influence attributed to this factor implies that this could be a deciding feature for most respondents. Consequently, it is recommended that hotel chains ensure that their accommodation offerings are consistent.

<u>Reputation and name of the company or specific hotel</u>

The reputation and name of a hotel company or specific hotel is considered to be part of the augmented product of a hotel. As such, it should nowadays also be considered to be a crucial dimension of CRM. Indeed, as advocated by Day and Wensley (1998), the position as well as the reputation of a hotel chain in a market can be a potential competitive advantage. The reputation and name of a hotel chain can by all means be attractive to new guests and prospective guests in particular.

Almost the majority of the 597 valid responses, 47.6%, indicated that the reputation and the name of a company or specific hotel would strongly influence their interest in CRM programmes. 43.7% stated that they would be moderately influenced. Only 8.7% of respondents indicated that this factor would not influence them at all.



When hypotheses of association were tested, only the type of respondent was found not to be independent to the influence of the service offered by the employees. Accordingly, the null hypothesis set for this relationships was rejected in favour of the alternative hypothesis that stipulates that these variables are not independent.

The Pearson chi square significance .000 reported for the association between the influence of the reputation and name of the company or specific hotel and whether the respondent is a guest or employee indicates that a relationship exists between these two variables. As the findings of the following crosstabulation table indicate, while the majority of the employees sampled (56.5%) admit that they would be strongly influenced by the reputation and name of a company or hotel, the majority of guests sampled (47.3%) said that they would only be moderately influenced by this factor. Furthermore, in contrast to only 4.0% of the employees sampled indicating that this factor would not at all influence them to join a CRM programme, 12.9% of the guests sampled said that this factor would not influence them at all to join a CRM programme.

Reputation and name of the company or specific hotel * Type of Respondent Crosstabulation

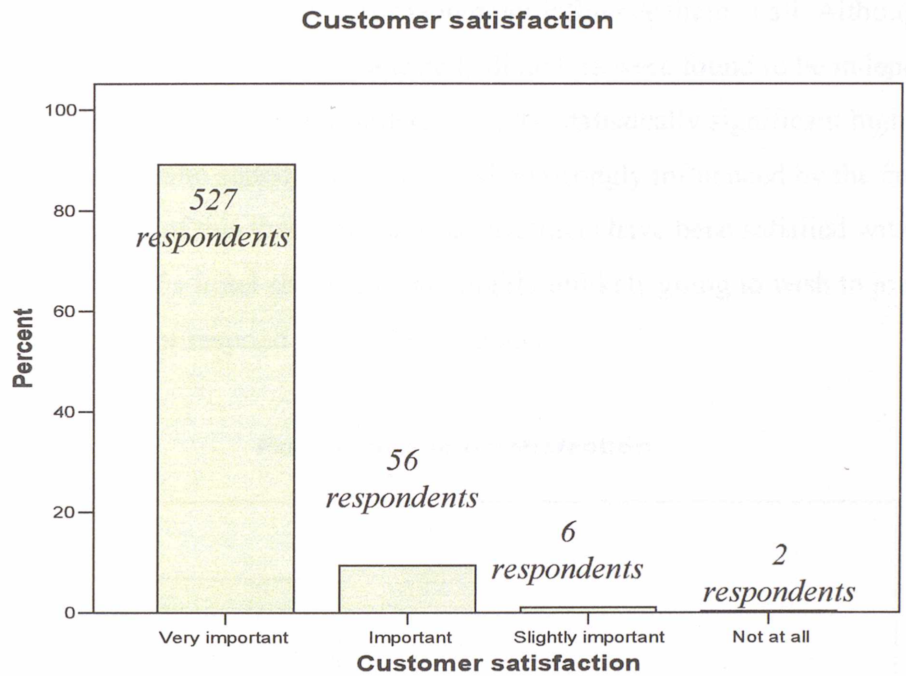
			Type of Respondent		Total
			Employee	Guest	
Reputation and name of the company or specific hotel	Strongly	Count	157	127	284
		% within Reputation and name of the company or specific hotel	55.3%	44.7%	100.0%
		% within Type of Respondent	56.5%	39.8%	47.6%
		% of Total	26.3%	21.3%	47.6%
	Moderately	Count	110	151	261
		% within Reputation and name of the company or specific hotel	42.1%	57.9%	100.0%
		% within Type of Respondent	39.6%	47.3%	43.7%
		% of Total	18.4%	25.3%	43.7%
	Not at all	Count	11	41	52
		% within Reputation and name of the company or specific hotel	21.2%	78.8%	100.0%
		% within Type of Respondent	4.0%	12.9%	8.7%
		% of Total	1.8%	6.9%	8.7%
Total		Count	278	319	597
		% within Reputation and name of the company or specific hotel	46.6%	53.4%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.6%	53.4%	100.0%

Customer Satisfaction: The Pinnacle of CRM

Customer satisfaction is one of the crucial factors, if not the most important factor, around which hotel operations revolve. Accordingly, much focus is laid upon this dimension within the hotel industry (Eccles and Durand, 1997b; Pizam and Ellis, 1999; Kandampully and Suhartanto, 2000). The measurement of customer satisfaction is not only essential to evaluate how hotel companies are serving their guests, but as identified in Chapter Two, it is even considered to be integral to a company's marketing strategy continuum (Grönroos, 1994a). As such it is argued that customer satisfaction is fundamental to the success of CRM within the hotel industry.

Customer satisfaction

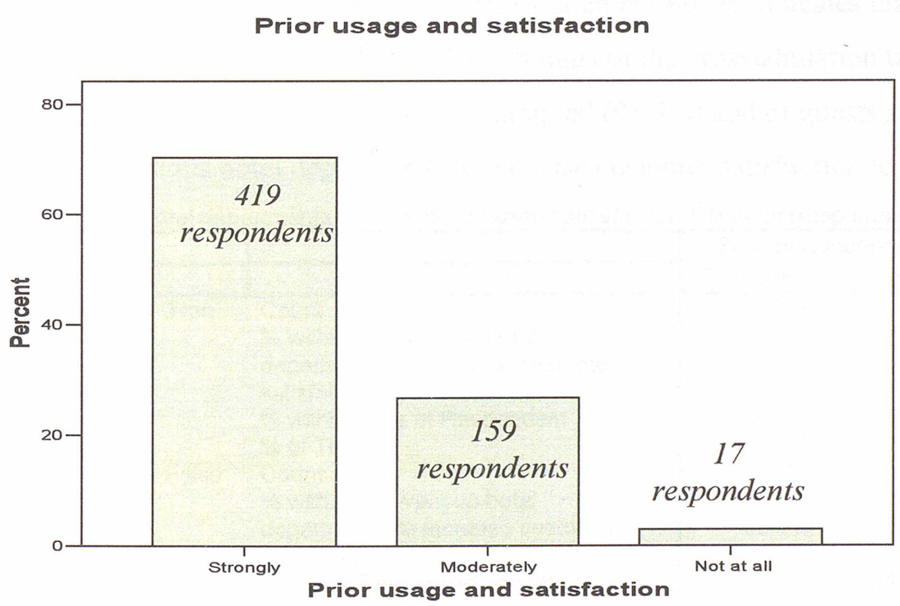
Even though when hypotheses of association were tested, all factors were found to be independent to the rating of customer satisfaction, the dominant agreement from respondents is that customer satisfaction is very important for the success of CRM within hotel companies. The fact that 89.2% of the 591 valid responses considered that customer satisfaction is very important in the success of CRM, strengthens the argument of this thesis that unless guests are content, they are unlikely to engage in CRM. The fact that only 0.3% of the respondents considered this factor not to be important at all further consolidates this contention.



Although customer satisfaction is deemed crucial for the success of CRM, it has been argued that the intangibility of the nature of services offered by hotels tends to make it difficult to assess service levels (McColl-Kennedy and White, 1997). Indeed, not only may levels of customer service and facilities be perceived differently by different segments of guests, each guest also has his or her own thresholds and expectations (Brotherton, 2004). Furthermore, according to McColl-Kennedy and White (1997), customers also do not always know how to truly assess their own level of satisfaction and determination of the quality of service. Indeed, such assessments are based on one's frame of mind and the situation at the time of the assessment. Furthermore, a rational process (Solomon et al., 2002) is not always used to evaluate services and facilities. Accordingly, the achievement of customer satisfaction is by no means an exact science. Notwithstanding, by enabling a better understanding of customers, it is argued that CRM can help companies to greatly enhance their achievement of customer satisfaction.

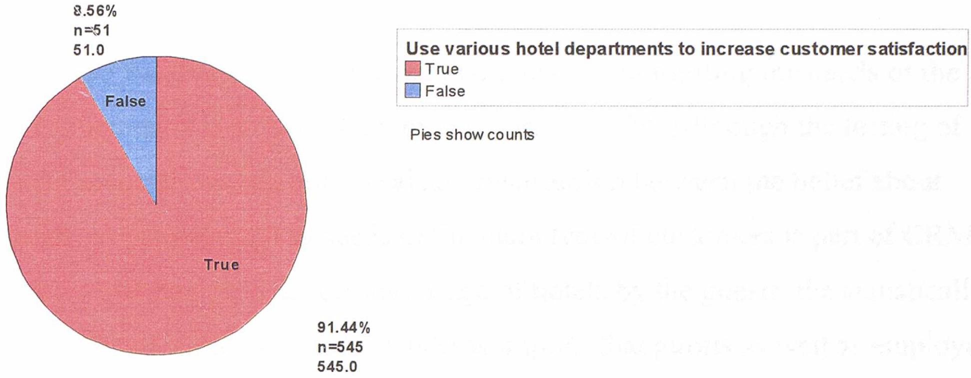
Prior usage and satisfaction

The majority of the 595 valid responses, 70.4%, indicated that prior usage and satisfaction would strongly influence the respondents' interest in CRM programmes. Only 2.9% stated that this factor would not influence them at all. Although when hypotheses of association were tested, all factors were found to be independent to the influence of prior usage and satisfaction, the statistically significant high percentage of respondents, who stated that they would be strongly influenced by the factor strengthens the argument of this thesis that unless customers have been satisfied with the offerings and service of a hotel chain, they are highly unlikely going to wish to join CRM programmes or respond to CRM campaigns.



Use various hotel departments to increase customer satisfaction

91.4% of the 596 valid responses agreed that the use of various hotel departments to increase customer satisfaction is part of CRM. When hypotheses of association were tested, only the type of respondent was found not to be independent of the respondents' belief about this activity. Accordingly, the null hypothesis set for this relationship was rejected in favour of the alternative hypothesis that stipulates that these two variables are not independent.



The Pearson chi square significance .046 reported for the association between the belief that the use of various hotel departments to increase customer satisfaction is part of CRM and whether the respondent is a guest or an employee indicates that a relationship exists between these two variables. The findings of the crosstabulation table below indicate that the majority of employees sampled (93.9%) and of guests sampled consider the use of various hotel departments to increase customer satisfaction to be part of CRM.

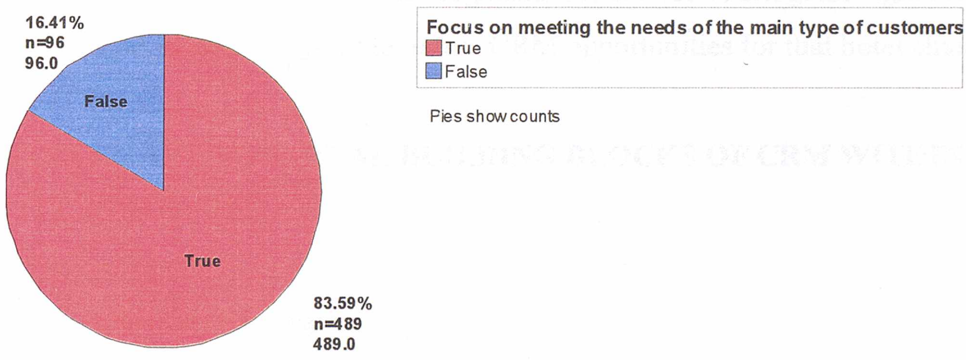
Use various hotel departments to increase customer satisfaction * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Use various hotel departments to increase customer satisfaction	True	Count	261	284	545
		% within Use various hotel departments to increase customer satisfaction	47.9%	52.1%	100.0%
		% within Type of Respondent	93.9%	89.3%	91.4%
		% of Total	43.8%	47.7%	91.4%
	False	Count	17	34	51
		% within Use various hotel departments to increase customer satisfaction	33.3%	66.7%	100.0%
		% within Type of Respondent	6.1%	10.7%	8.6%
		% of Total	2.9%	5.7%	8.6%
Total		Count	278	318	596
		% within Use various hotel departments to increase customer satisfaction	46.6%	53.4%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.6%	53.4%	100.0%

The high number of responses in agreement arguably implies that it is generally acknowledged that the resources and internal capabilities of a hotel chain can help in the achievement of customer satisfaction and therefore in the creation of competitive advantage in terms of CRM.

Focus on meeting the needs of the main type of customers

83.6% of the 585 valid responses believed that focusing on meeting the needs of the main type of customers is an activity, which is part of CRM. Although the testing of hypotheses of associations did not reveal any relationship between the belief about whether focusing on meeting the needs of the main type of customers is part of CRM and the various demographic factors and usage of hotels by the guests, the statistically significant dominant agreement of respondents implies that guests as well as employees acknowledge that it is neither possible nor beneficial for hotel chains to attempt to meet the needs of all prospective customers.



The goal of any company is to offer customers appropriate products and services (Chattopadhyay, 2001). It is contended that the philosophical perspective of Relationship Marketing mimics the Marketing Orientation of Traditional Marketing in terms of calling for the meeting of customers needs. However, as CRM information systems and databases lend themselves particularly well to segmentation (Bentley, 2005), rather than attempt to meet the needs of all customers, CRM systems and processes can indeed help hotel companies find ways to satisfy the genuine needs and wants of specifically identified customer segments. Thus, rather than try to be everything to every customer, hotel chains should once they identify their objectives regards to CRM, then focus on targeting and nurturing their core customers. It is thus proposed that these critical success factors should not only be consistently but also be continuously monitored so as to ensure that the basic and CRM offerings of hotel companies remain aligned to customer expectations.

Such customer centricity will undoubtedly lead to the achievement of companies being able to offer what their targeted customers want to buy (Lancaster and Reynolds, 1995; Bassington and Pettitt, 2003), or at least achieving a better alignment between what they offer and what their core customers actually are seeking. Although such a focused strategy will ensure that internal resources remain concentrated on meeting the needs of core customers, hotel chains should nonetheless be careful not to ignore the opportunities that other market segments may represent. Thus, it is recommended that while hotel chains should by all means focus on meeting the needs of their core customers with their CRM offerings, other segments should not be altogether ignored either as these could indeed represent lucrative CRM opportunities for that hotel chain.

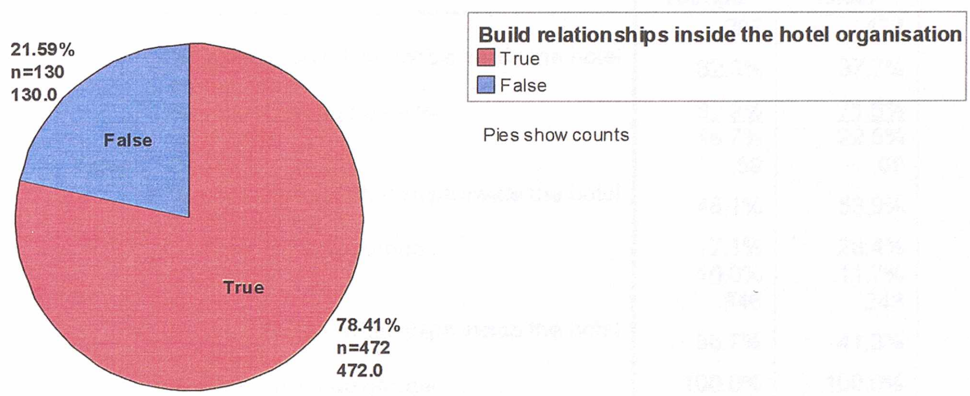
THE INTERNAL AND EXTERNAL BUILDING BLOCKS OF CRM WITHIN THE HOTEL INDUSTRY

The development of relationships

Building relationships inside the hotel organisation

As discussed in Chapter Two, the holistic perspective considers the development of an internal marketing function to be integral to Relationship Marketing. The development of internal relationships is not only considered a crucial factor within marketing strategy (Grönroos, 1994a), but through structured relationships, not only can internal marketing help add value to the organization itself and the employees (Ballantyne, 2003), but it can also provide value to external guests (Rafiq and Ahmed, 1993). Such relationships may indeed be considered to be resources, which can also be used to maximize the competitive positioning of a company (Jobber 1998; Morgan and Strong, 1998). Accordingly, a hotel chain can use its internal relationships to strengthen the means through which it engages with CRM internally as well as externally.

78.4% of the 602 valid responses agreed that the building of relationships within organisations is part of CRM. When hypotheses of association were tested, two variables were found not to be independent of the sampled respondents' belief that the building of relationships inside the hotel organisation. These are: type of respondent and age. Accordingly, the null hypotheses set for these two relationships were rejected in favour of the alternative hypotheses, which stipulate that the variables are not independent.



The Pearson chi square significance .002 reported for the association between the building of relationships within organisations and the type of respondent indicates a relationship between these two variables. The findings of the table below indicate that the majority of employees sampled (83.9%) and the majority of guests sampled (73.6%) consider the building of relationships inside a hotel organisation to be part of CRM.

Build relationships inside the hotel organisation * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Build relationships inside the hotel organisation	True	Count	235	237	472
		% within Build relationships inside the hotel organisation	49.8%	50.2%	100.0%
		% within Type of Respondent	83.9%	73.6%	78.4%
		% of Total	39.0%	39.4%	78.4%
	False	Count	45	85	130
		% within Build relationships inside the hotel organisation	34.6%	65.4%	100.0%
		% within Type of Respondent	16.1%	26.4%	21.6%
		% of Total	7.5%	14.1%	21.6%
Total		Count	280	322	602
		% within Build relationships inside the hotel organisation	46.5%	53.5%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.5%	53.5%	100.0%

The Pearson chi square significance .001 reported for the association between the building of relationships within organisations and age indicates that a relationship exists between these two variables. As the findings of the crosstabulation table below indicate, the majority of the younger respondents sampled (82.9%) and the majority of the older respondents sampled (71.6%) consider the building of relationships inside a hotel organisation to be part of CRM activity.

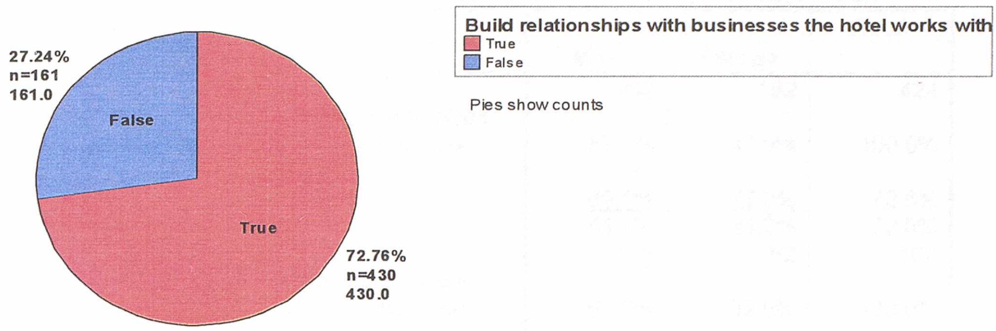
Build relationships inside the hotel organisation * New age groups Crosstabulation

			New age groups		Total
			Younger	Older	
Build relationships inside the hotel organisation	True	Count	287	174	461
		% within Build relationships inside the hotel organisation	62.3%	37.7%	100.0%
		% within New age groups	82.9%	71.6%	78.3%
		% of Total	48.7%	29.5%	78.3%
	False	Count	59	69	128
		% within Build relationships inside the hotel organisation	46.1%	53.9%	100.0%
		% within New age groups	17.1%	28.4%	21.7%
		% of Total	10.0%	11.7%	21.7%
Total		Count	346	243	589
		% within Build relationships inside the hotel organisation	58.7%	41.3%	100.0%
		% within New age groups	100.0%	100.0%	100.0%
		% of Total	58.7%	41.3%	100.0%

The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, beliefs about whether the building of relationships inside the hotel organisation is part of CRM, and the two variables, type of respondent and age, with which the chi square statistic previously revealed no independence. As the Z-Value, for this interaction was reported to be - .21190, hence within the range ±1.96, the null hypothesis was not rejectednkvlhkghjflhj. Thus, it was concluded that no three-way relationship exists among these three variables.

Build relationships with businesses the hotel works with (i.e. suppliers)

72.8% of the 591 valid responses believed the building of relationships with businesses the hotel works with to be an activity, which is part of CRM. When hypotheses of associations were tested, three variables: type of respondent, gender and employment level of the employees, were found not to be independent to the beliefs about this activity. Accordingly the null hypotheses set for the three relationships were rejected in favour of the alternative hypotheses that stipulate that the variables are not independent.



The Pearson chi square significance .015 reported for the association between the belief about this activity and whether the respondent is an employee or guest indicates a relationship between these two variables. As the findings of the crosstabulation table below reveal, the majority of the employees sampled (77.5%) and the majority of the guests sampled (68.6%) believe that the building of relationships with businesses the hotel works is part of CRM activity.

Build relationships with businesses the hotel works with * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Build relationships with businesses the hotel works with	True	Count	214	216	430
		% within Build relationships with businesses the hotel works with	49.8%	50.2%	100.0%
		% within Type of Respondent	77.5%	68.6%	72.8%
		% of Total	36.2%	36.5%	72.8%
	False	Count	62	99	161
		% within Build relationships with businesses the hotel works with	38.5%	61.5%	100.0%
		% within Type of Respondent	22.5%	31.4%	27.2%
		% of Total	10.5%	16.8%	27.2%
Total		Count	276	315	591
		% within Build relationships with businesses the hotel works with	46.7%	53.3%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.7%	53.3%	100.0%

The Pearson chi square significance .022 reported for the association between the belief about this activity and the gender of the respondents indicates a relationship between these two variables. The findings of the following crosstabulation table indicate that the majority of males sampled (69.1%) and the majority of females sampled (77.8%) believe the building of relationships with businesses the hotel works to be part of CRM activity.

Build relationships with businesses the hotel works with * Gender Crosstabulation

			Gender		Total
			Male	Female	
Build relationships with businesses the hotel works with	True	Count	242	182	424
		% within Build relationships with businesses the hotel works with	57.1%	42.9%	100.0%
		% within Gender	69.1%	77.8%	72.6%
		% of Total	41.4%	31.2%	72.6%
	False	Count	108	52	160
		% within Build relationships with businesses the hotel works with	67.5%	32.5%	100.0%
		% within Gender	30.9%	22.2%	27.4%
		% of Total	18.5%	8.9%	27.4%
Total		Count	350	234	584
		% within Build relationships with businesses the hotel works with	59.9%	40.1%	100.0%
		% within Gender	100.0%	100.0%	100.0%
		% of Total	59.9%	40.1%	100.0%

The Pearson chi square significance .047 reported for the crosstabulation of the belief about this activity and whether employees are part of management or employed at team level, indicates an association between these two variables. The findings of the crosstabulation table below indicate that the majority of team members sampled (82.5%) and the majority of management sampled (72.5%) think that the building of relationships with businesses the hotel works is part of CRM activity.

Build relationships with businesses the hotel works with * New groups of employee employment Crosstabulation

			New groups of employee employment		Total
			Team	Management	
Build relationships with businesses the hotel works with	True	Count	118	95	213
		% within Build relationships with businesses the hotel works with	55.4%	44.6%	100.0%
		% within New groups of employee employment	82.5%	72.5%	77.7%
		% of Total	43.1%	34.7%	77.7%
	False	Count	25	36	61
		% within Build relationships with businesses the hotel works with	41.0%	59.0%	100.0%
		% within New groups of employee employment	17.5%	27.5%	22.3%
		% of Total	9.1%	13.1%	22.3%
Total		Count	143	131	274
		% within Build relationships with businesses the hotel works with	52.2%	47.8%	100.0%
		% within New groups of employee employment	100.0%	100.0%	100.0%
		% of Total	52.2%	47.8%	100.0%

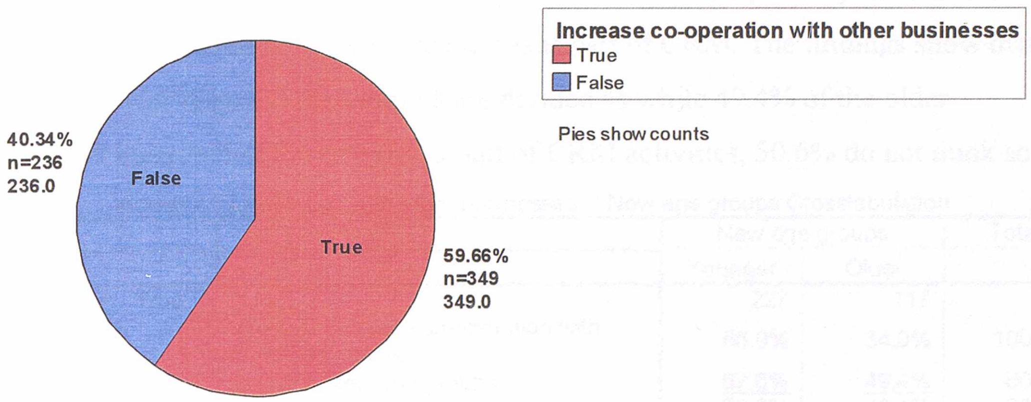
The saturated model of loglinear analysis was run to test the hypothesis of association among the variable, beliefs whether the building of relationships with businesses the hotel works with is part of CRM, and the three variables, type of respondent, gender and employees' job level, with which the chi square statistic previously revealed no independence. However, no three-way or four-way relationship was uncovered.

In recent times, it has been advocated that there has been a shift from the examinations of control mechanisms to the development of efficient and effective channel relationships within business to business interactions (Weitz and Jap, 1995). As such, relationships between businesses and suppliers have increasingly become important. As discussed in Chapter Two, through interaction, partnering and co-operation with other companies, a company can develop its potential. In contemporary terms, as discussed in Chapter Three, several hotel chains have in evidence been working in partnership with specialist agencies to enhance their CRM initiatives and maximize their return on investment. The dominant agreement of respondents indeed indicates that it is generally supported that such relationships are integral to the adequate implementation of CRM.

Increase co-operation with other businesses (i.e. competitors)

Although relationships with competitors or other businesses, which are not directly involved in a hotel chain's operations or value chain may not been considered to be relevant to a company's engagement in CRM, as discussed in Chapter Two the dynamics of other businesses operating in a company's market environment unquestionably have an effect on the latter.

With 59.7% of the 585 valid responses believing that the increase of co-operation within other businesses such as competitors is part of CRM, it seems that it is somehow understood that CRM extends beyond a company's internal resources. When hypotheses of associations were tested, a relationship between beliefs about this activity and four variables are uncovered. These are: type of respondent, age, marital status and the business usage of hotels by guests. Accordingly, the null hypotheses set for these four relationships were rejected in favour of the alternative hypotheses that stipulate that these variables are not independent.



The Pearson chi square significance .000 reported for the association between the beliefs about this activity and whether the respondent is an employee or guest implies a relationship between these two variables. As the findings of the crosstabulation table below indicate, while the majority of the employees sampled (72.9%) believe that increasing co-operation with other businesses is part of CRM, a smaller majority of the guests sampled (51.6%) believe that this activity is not part of CRM activities. These findings uncover that the guests sampled appear to be closely divided about this activity.

Increase co-operation with other businesses * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Increase co-operation with other businesses	True	Count	196	153	349
		% within Increase co-operation with other businesses	56.2%	43.8%	100.0%
		% within Type of Respondent	72.9%	48.4%	59.7%
		% of Total	33.5%	26.2%	59.7%
	False	Count	73	163	236
		% within Increase co-operation with other businesses	30.9%	69.1%	100.0%
		% within Type of Respondent	27.1%	51.6%	40.3%
		% of Total	12.5%	27.9%	40.3%
Total		Count	269	316	585
		% within Increase co-operation with other businesses	46.0%	54.0%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.0%	54.0%	100.0%

The Pearson chi square significance of .000 reported for the association between the beliefs about this activity and whether respondents are younger or older than 35 years old, indicates a relationship between these two variables. The findings of the table below indicate that the majority of the younger respondents sampled (67.6%) believe that increasing co-operation with other businesses is part of CRM. The findings show that opinions of older respondents sampled are divided as while 49.4% of the older respondents believe that this activity is part of CRM activities, 50.6% do not think so.

Increase co-operation with other businesses * New age groups Crosstabulation

			New age groups		Total
			Younger	Older	
Increase co-operation with other businesses	True	Count	227	117	344
		% within Increase co-operation with other businesses	66.0%	34.0%	100.0%
		% within New age groups	67.6%	49.4%	60.0%
		% of Total	39.6%	20.4%	60.0%
	False	Count	109	120	229
		% within Increase co-operation with other businesses	47.6%	52.4%	100.0%
		% within New age groups	32.4%	50.6%	40.0%
		% of Total	19.0%	20.9%	40.0%
Total		Count	336	237	573
		% within Increase co-operation with other businesses	58.6%	41.4%	100.0%
		% within New age groups	100.0%	100.0%	100.0%
		% of Total	58.6%	41.4%	100.0%

The Pearson chi square significance .011 reported for the association between the beliefs about this activity and whether the respondents are single or not, implies a relationship between these two variables. The findings of the table indicate that the majority of single respondents (64.2%) and the majority of not single respondents sampled (53.7%) believe that increasing co-operation with other businesses is part of CRM activity.

Increase co-operation with other businesses * New groups of status Crosstabulation

			New groups of status		Total
			Single	Not single	
Increase co-operation with other businesses	True	Count	179	153	332
		% within Increase co-operation with other businesses	53.9%	46.1%	100.0%
		% within New groups of status	64.2%	53.7%	58.9%
		% of Total	31.7%	27.1%	58.9%
	False	Count	100	132	232
		% within Increase co-operation with other businesses	43.1%	56.9%	100.0%
		% within New groups of status	35.8%	46.3%	41.1%
		% of Total	17.7%	23.4%	41.1%
Total		Count	279	285	564
		% within Increase co-operation with other businesses	49.5%	50.5%	100.0%
		% within New groups of status	100.0%	100.0%	100.0%
		% of Total	49.5%	50.5%	100.0%

The Pearson chi square significance .016 reported for the association between the beliefs about this activity and whether guests' business usage of hotels is low (less than 10 nights per year), medium (11 to 20 nights per year) or high (more than 20 nights per year), indicates a relationship between these two variables. As the findings of the crosstabulation table below indicate, the beliefs of the sampled guests with low business usage appear to be almost equally divided with 50.5% thinking that this activity is part of CRM activity and 49.5% believing that this is not the case. Almost twice as many of the sampled guests with medium business usage (69.1%) think that this is not a CRM activity. The findings also reveal that the majority of the sampled guests with high business usage (55.3%) believe that increasing co-operation with other businesses is part of CRM activity.

Increase co-operation with other businesses * New categories of business usage Crosstabulation

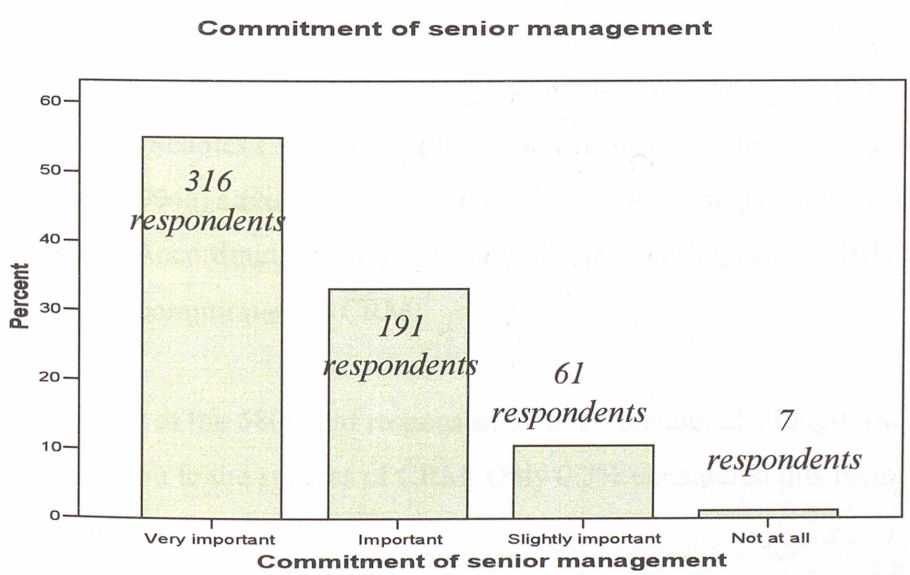
			New categories of business usage			Total
			Low	Medium	High	
Increase co-operation with other businesses	True	Count	50	17	42	109
		% within Increase co-operation with other businesses	45.9%	15.6%	38.5%	100.0%
		% within New categories of business usage	50.5%	30.9%	55.3%	47.4%
		% of Total	21.7%	7.4%	18.3%	47.4%
	False	Count	49	38	34	121
		% within Increase co-operation with other businesses	40.5%	31.4%	28.1%	100.0%
		% within New categories of business usage	49.5%	69.1%	44.7%	52.6%
		% of Total	21.3%	16.5%	14.8%	52.6%
Total		Count	99	55	76	230
		% within Increase co-operation with other businesses	43.0%	23.9%	33.0%	100.0%
		% within New categories of business usage	100.0%	100.0%	100.0%	100.0%
		% of Total	43.0%	23.9%	33.0%	100.0%

The saturated model of loglinear analysis was run to test the hypotheses of association among the variable, beliefs whether increasing co-operation with other businesses is part of CRM, and the four variables, type of respondent, age, marital status and business usage of hotels by guests, with which the chi square statistic previously revealed no independence. No five-way, four-way or three-way relationship was uncovered.

As discussed in Chapter Two, networks, which exist within a business environment, can not only connect the multiple companies operating within that environment, but they can indirectly influence how business is carried out (Turnbull et al., 1996). Furthermore, through interaction with other companies, a company can develop and expand its own business (Bengstsson and Kock, 1999) even though such businesses may not be directly working together. As discussed by Zineldin (1998), co-operation and competition are in fact intertwined. Although the majority of the respondents indicated that they agreed that increasing co-operation with other businesses is part of CRM, the 40.3% of respondents who disagreed highlighted how CRM is also generally thought to be more relevant to a company's operations and internal competencies rather than its competitors. Nonetheless, these findings also imply that in contemporary terms, the influence of competitors on a hotel company's CRM initiatives is understood to some extent.

Commitment of senior management

The majority of the 575 valid responses, 55.0%, considered the commitment of senior management to be very important to the success of CRM. Only 1.2% considered this factor not at all important. When hypotheses of association were tested, all factors were found to be independent to the rating of the commitment of senior management. Still, the fact that some importance was allocated to this factor by almost all respondents is indicative that both the sampled guests and employees agreed that for CRM to be successfully embraced throughout a hotel chain, the commitment of senior management is necessary.



Even though they focus on different levels of operations and management, several academics testify to the commitment of senior management being crucial to the successful implementation and on-going effectiveness of CRM initiatives. While Murphy (2001) discusses how senior management should not only encourage employee involvement and the empowerment of teams but also ensure that investment is directed into the training and development of employees, Chen and Popovich (2003) instead focus on how management should show commitment through on-going training programmes and company wide education. Indeed, although CRM is usually delivered and maintained at operational and business levels, as discussed in Chapter Two genuine customer orientation and CRM entails the involvement of the entire organization.

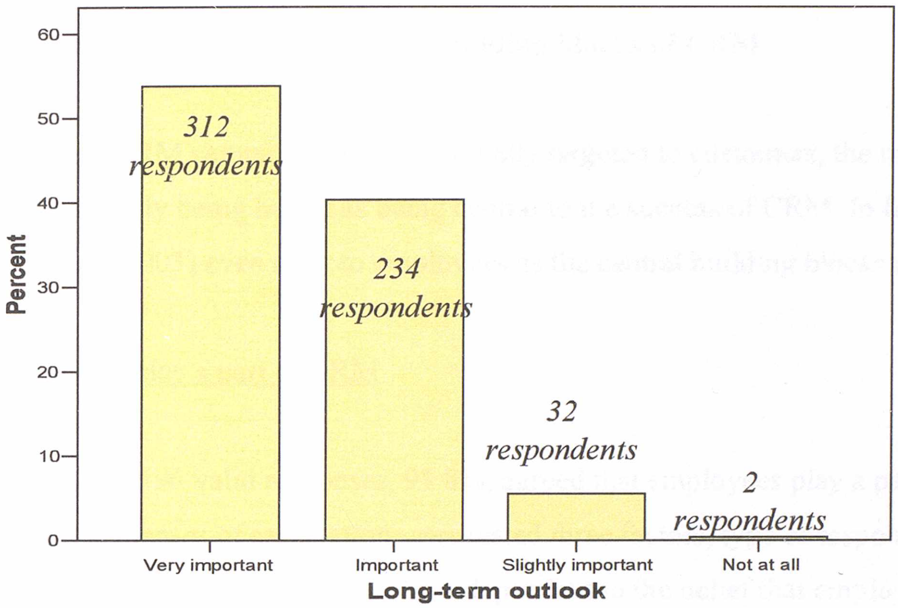
As according to Watson and D'Annunzio-Green (1996), the focus of senior management additionally lies in the definition and articulation of their company purpose, it is moreover argued that not only is it important for senior management to ensure that CRM is being implemented and embraced adequately, but they also need to ascertain that the entire organization understands the reason why CRM is being adopted. Only then, it is contended will the intentions and visions of CRM be adequately delivered within hotels.

<u>Long-term outlook</u>

As discussed in Chapter Two, several academics support Christopher et al.'s (1991) contention that time scale is one of the dimensions, which differentiate Relationship Marketing from Traditional Marketing. Within the specific context of strategy, while Johnson and Scholes (2002) contend that strategy usually implies long-term direction, Grönroos (1994a) advocates that a time perspective is integral to the marketing strategy continuum. Accordingly, a long term outlook appears to be particularly relevant to hotel companies' commitment to CRM.

The majority of the 580 valid responses, 53.6%, considered a long-term outlook to be very important to the success of CRM. Only 0.3% considered this factor not at all important.

Long-term outlook



Although when hypotheses of association were tested, no factor was found not to be independent to the rating of long-term outlook, the high percentage of respondents who stated that long-term is very important or important indicates that CRM is by no means considered to be a short-term tactic. This contention is strongly supported with academia. However, although Kandampully and Duddy (1999b) emphasise that Relationship Marketing essentially revolves around long-term relationships through the fulfillment of promises, they also highlight how companies, including hotels, are increasingly challenged to create an environment, which nurtures as well as maintains those called for long-term relationships with customers. According to Chattopadhyay (2001), many such challenges can be overcome through the consideration of the customer life cycle. In fact, Chattopadhyay advocates that these relationship life cycles can help not only with the scope of relationships but also with the nature of relationships with customers as indeed relationships with customers undoubtedly change over time.

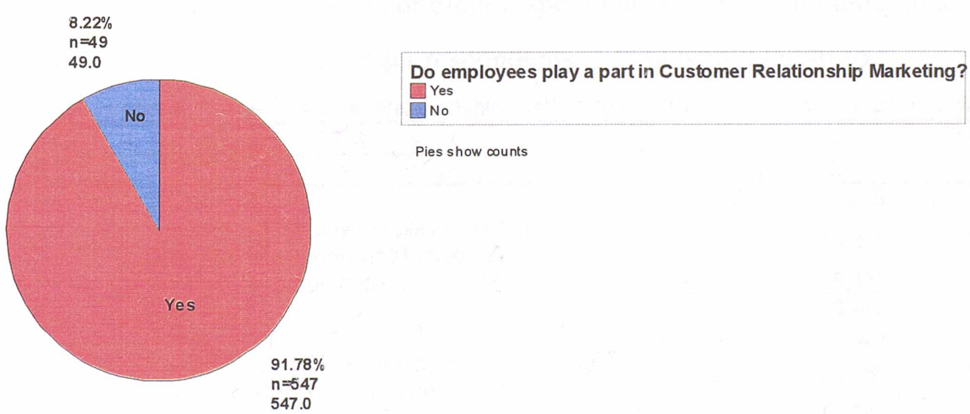
Within the context of this thesis, it is argued that not only should hotel companies understand that CRM is a long-term strategy, but they should also take into consideration the individual customer life cycle of customers when targeting CRM campaigns. Indeed, the stage at which customers are in their customer life cycle will by all means influence their response to a hotel company's CRM initiatives.

The role of employees as the real building blocks of CRM

Although CRM campaigns are primordially targeted to customers, the role of employees is increasingly being hailed as being central to the success of CRM. In fact, Chen and Popovich (2003) even refer to employees as the central building blocks of CRM.

Employees play a part in CRM

Most of the 596 valid responses, 91.8%, agreed that employees play a part in CRM. When hypotheses of association were tested three factors, type of respondent, age and marital status, were found not to be independent to the belief that employees play a part in CRM. Thus, the null hypotheses set for these three relationships were rejected in favour of the alternative hypotheses that stipulate that variables are not independent.



The Pearson chi square significance .002 reported for the association between beliefs about whether employees play a part in CRM and the type of respondent implies a relationship between these two variables. The findings of the following crosstabulation table indicate that the majority of the guests (88.5%) and the majority of the employees sampled (95.6%) agree that employees play a part in CRM.

Do employees play a part in Customer Relationship Marketing? * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Do employees play a part in Customer Relationship Marketing?	Yes	Count	261	286	547
		% within Do employees play a part in Customer Relationship Marketing?	47.7%	52.3%	100.0%
		% within Type of Respondent	95.6%	88.5%	91.8%
		% of Total	43.8%	48.0%	91.8%
	No	Count	12	37	49
		% within Do employees play a part in Customer Relationship Marketing?	24.5%	75.5%	100.0%
		% within Type of Respondent	4.4%	11.5%	8.2%
		% of Total	2.0%	6.2%	8.2%
Total		Count	273	323	596
		% within Do employees play a part in Customer Relationship Marketing?	45.8%	54.2%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	45.8%	54.2%	100.0%

The Pearson chi square significance .010 reported for the association between the beliefs about whether employees play a part in CRM and whether respondents are younger or older than 35 years old indicates a relationship between these two variables. As the findings of the table below reveal, the majority of the younger respondents sampled (94.1%) and the majority of the older respondents sampled (88.1%) think that employees play a part in CRM. Although only 8.4% of the respondents thought that employees do not play a part of CRM, the percentage of older respondents (11.9%) who thought so is twice as big as the percentage of younger respondents (5.9%) who thought so.

Do employees play a part in Customer Relationship Marketing? * New age groups Crosstabulation

			New age groups		Total
			Younger	Older	
Do employees play a part in Customer Relationship Marketing?	Yes	Count	319	215	534
		% within Do employees play a part in Customer Relationship Marketing?	59.7%	40.3%	100.0%
		% within New age groups	94.1%	88.1%	91.6%
		% of Total	54.7%	36.9%	91.6%
	No	Count	20	29	49
		% within Do employees play a part in Customer Relationship Marketing?	40.8%	59.2%	100.0%
		% within New age groups	5.9%	11.9%	8.4%
		% of Total	3.4%	5.0%	8.4%
Total		Count	339	244	583
		% within Do employees play a part in Customer Relationship Marketing?	58.1%	41.9%	100.0%
		% within New age groups	100.0%	100.0%	100.0%
		% of Total	58.1%	41.9%	100.0%

The Pearson chi square significance .042 reported for the association between the beliefs about whether employees play a part in CRM and whether the respondent is single or not designates a relationship between these two variables. As the findings of the crosstabulation table indicate, the majority of the single respondents sampled (94.0%) and the majority of the not single respondents sampled (89.3%) think that employees play a part in CRM.

Do employees play a part in Customer Relationship Marketing? * New groups of status Crosstabulation

			New groups of status		Total
			Single	Not single	
Do employees play a part in Customer Relationship Marketing?	Yes	Count	266	258	524
		% within Do employees play a part in Customer Relationship Marketing?	50.8%	49.2%	100.0%
		% within New groups of status	94.0%	89.3%	91.6%
		% of Total	46.5%	45.1%	91.6%
	No	Count	17	31	48
		% within Do employees play a part in Customer Relationship Marketing?	35.4%	64.6%	100.0%
		% within New groups of status	6.0%	10.7%	8.4%
		% of Total	3.0%	5.4%	8.4%
Total		Count	283	289	572
		% within Do employees play a part in Customer Relationship Marketing?	49.5%	50.5%	100.0%
		% within New groups of status	100.0%	100.0%	100.0%
		% of Total	49.5%	50.5%	100.0%

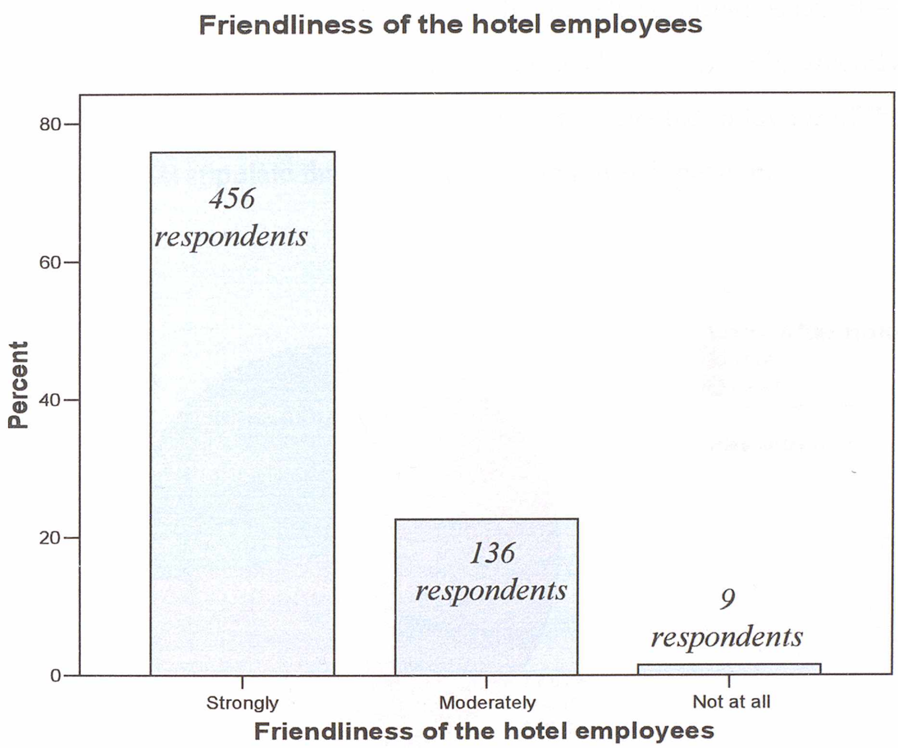
The saturated model of loglinear analysis was run to test the hypotheses of association among the variable, beliefs whether employees play a part in CRM, and the three variables: type of respondent, age and marital status, with which the chi square statistic previously revealed no independence. As neither a four-way nor any three-way relationship was identified among these four variables, all the null hypotheses of associations were not rejected.

The strong repercussions that employees, in particular front line employees, can have on customers and indeed on the success of an organization are generally recognized within the hotel industry. The fact that the majority of the respondents think that employees have a part to play on CRM supports the academic contention that employees are indeed the building blocks of customer relationship (Chen and Popovich, 2003).

Friendliness hotel employees

As discussed in Chapter Two, the establishment of personal relationships between employees and guests has repeatedly been defined as being part of Relationship

Marketing. The majority of the 601 valid responses, 75.9%, indicated that the friendliness of the hotel employees would strongly influence their interest in CRM programmes. Only 1.5% stated that this factor would not influence them at all.

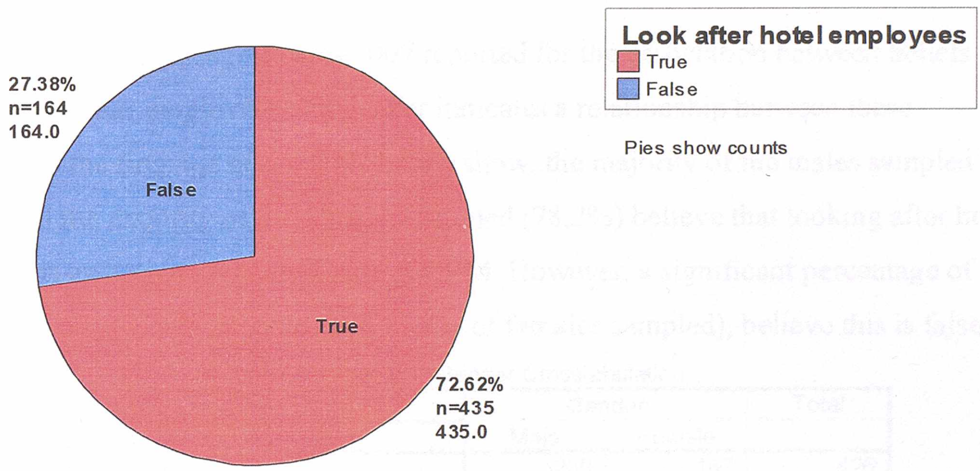


Although when hypotheses of association were tested, no factor was found not to be independent to the influence of the friendliness of the hotel employees, these findings indicate that it is mostly recognised that the interpersonal bonds between employees and guests can not only greatly influence communications but also enhance customer satisfaction. These findings indeed support Gremler et al.'s (2001) contention that interpersonal bonds between guests and employees can help foster tighter bonds between a hotel company and its guests.

However, for employees to optimally be able to help companies meet their CRM objectives, it is argued that management must ensure that employees fully understand the purpose of CRM within a hotel chain, but that they should also be made aware of the changes that the genuine embracing of the concept can bring to an organization. Only through such a focused approach would employees be converted into real CRM assets.

Look after hotel employees

72.6% of the 599 valid responses stated that they believe that looking after hotel employees is part of CRM. When hypotheses of associations were tested, three variables were found not to be independent to this belief. These variables are: the type of respondent, gender and business usage of hotels by guests. Subsequently, the null hypotheses set for these three relationships were rejected in favour of the alternative hypotheses that stipulate that the variables are not independent.



The Pearson chi square significance .000 reported for the association between beliefs about looking after employees and whether the respondent is a guest or an employee, indicates that a relationship exists between these two variables. As the findings of the following crosstabulation table indicate, the majority of the employees sampled (81.6%) and the majority of the guests sampled (64.6%) believe that looking after hotel employees is an activity, which is part of CRM. The findings of this crosstabulation also indicate that 27.4% of the respondents do not think that looking after hotel employees is a CRM activity. In fact, the percentage of sampled guests (35.4%) who think that looking after hotel employees is not part of CRM activity is almost twice the percentage of sampled employees (18.4%) who think that looking after hotel employees is not part of CRM activity.

Look after hotel employees * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Look after hotel employees	True	Count	231	204	435
		% within Look after hotel employees	53.1%	46.9%	100.0%
		% within Type of Respondent	81.6%	64.6%	72.6%
		% of Total	38.6%	34.1%	72.6%
	False	Count	52	112	164
		% within Look after hotel employees	31.7%	68.3%	100.0%
		% within Type of Respondent	18.4%	35.4%	27.4%
		% of Total	8.7%	18.7%	27.4%
Total		Count	283	316	599
		% within Look after hotel employees	47.2%	52.8%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	47.2%	52.8%	100.0%

The Pearson chi square significance .007 reported for the association between beliefs about looking after employees and gender indicates a relationship between these variables. As the findings of the table below show, the majority of the males sampled (68.1%) and the majority of the females sampled (78.2%) believe that looking after hotel employees is an activity, which is part of CRM. However, a significant percentage of the sample (27.8%), (31.9% of males and 21.8% of females sampled), believe this is false.

Look after hotel employees * Gender Crosstabulation

			Gender		Total
			Male	Female	
Look after hotel employees	True	Count	239	187	426
		% within Look after hotel employees	56.1%	43.9%	100.0%
		% within Gender	68.1%	78.2%	72.2%
		% of Total	40.5%	31.7%	72.2%
	False	Count	112	52	164
		% within Look after hotel employees	68.3%	31.7%	100.0%
		% within Gender	31.9%	21.8%	27.8%
		% of Total	19.0%	8.8%	27.8%
Total		Count	351	239	590
		% within Look after hotel employees	59.5%	40.5%	100.0%
		% within Gender	100.0%	100.0%	100.0%
		% of Total	59.5%	40.5%	100.0%

The Pearson chi square significance .033 reported for the association between beliefs about this activity and the business usage of guests indicates a relationship between these two variables. As the findings of following table show, the majority of the sampled guests with low business usage (71.0%) and the majority of the sampled guests with high business usage (65.8%) believe that looking after hotel employees is part of CRM.

However, the sampled guests with medium business usage are equally split in their opinion about whether looking after hotel employees is part of CRM activity or not.

Look after hotel employees * New categories of business usage Crosstabulation

			New categories of business usage			Total
			Low	Medium	High	
Look after hotel employees	True	Count	71	27	50	148
		% within Look after hotel employees	48.0%	18.2%	33.8%	100.0%
		% within New categories of business usage	71.0%	50.0%	65.8%	64.3%
		% of Total	30.9%	11.7%	21.7%	64.3%
	False	Count	29	27	26	82
		% within Look after hotel employees	35.4%	32.9%	31.7%	100.0%
		% within New categories of business usage	29.0%	50.0%	34.2%	35.7%
		% of Total	12.6%	11.7%	11.3%	35.7%
Total		Count	100	54	76	230
		% within Look after hotel employees	43.5%	23.5%	33.0%	100.0%
		% within New categories of business usage	100.0%	100.0%	100.0%	100.0%
		% of Total	43.5%	23.5%	33.0%	100.0%

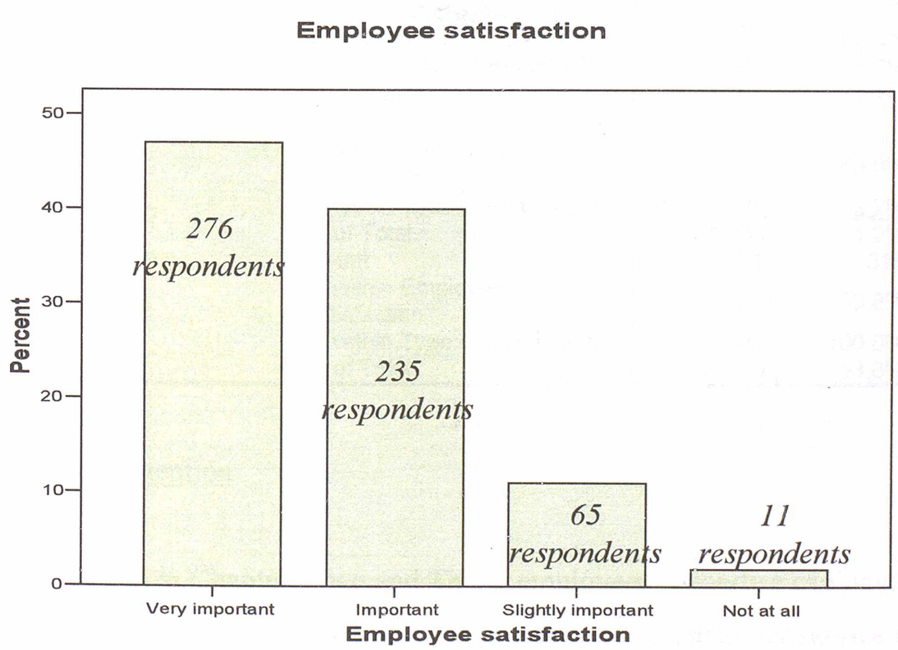
The saturated model of loglinear analysis was run to test the hypotheses of association among the variable, beliefs whether looking after hotel employees is part of CRM, and the three variables, type of respondent, gender and business usage of hotels by guests, with which the chi square statistic previously revealed no independence. However, neither a four-way nor any three-way relationship was uncovered among these four variables. Consequently, all the null hypotheses of associations were not rejected.

In line with the majority of the respondent's view that looking after employees is part of CRM, growing investment is in evidence being channeled into the training and development of employees within hotel industry (McColl-Kennedy and White, 1997; Maxwell and Lyle, 2002). The importance and repercussions of this factor has been discussed in Chapter Three. According to Nolan (2002), the development of human resources is essential to the expertise of staff, staff morale, job satisfaction, commitment of employees, customer service, profits of company and even customer relationships. In reality, relationships between an organization and its employees can help create value for not only the organization and the employees themselves but for external guests too (Rafiq and Ahmed, 1993). However, in order for hotel companies to truly be able to look after their employees, it is imperative that management understands the specific dimensions that shape their employees' attitudes towards their jobs. Only then, would the key principles of employee recognition, respect and reward (Maxwell and Lyle, 2002), be deliverable in line with employees' expectations. Accordingly, it is contended that looking after hotel employees is by all means part of CRM.

Employee satisfaction

As discussed in Chapter Two, employee satisfaction can help create customer satisfaction. As highlighted by Sanes (1996), the relationship between employee satisfaction and guest satisfaction is deemed particularly important for companies, which are seeking to differentiate themselves by the customer service they offer.

The majority of the 587 valid responses, 47.0%, considered employee satisfaction to be very important to the success of CRM. Only 1.9% considered this factor not at all important. When hypotheses of associations were tested, the Pearson chi square significance of one variable type of respondent is shown to be less than 0.05. Subsequently, the null hypothesis set for this relationship was rejected in favour of the alternative hypothesis, which stipulates that the variables are not independent.



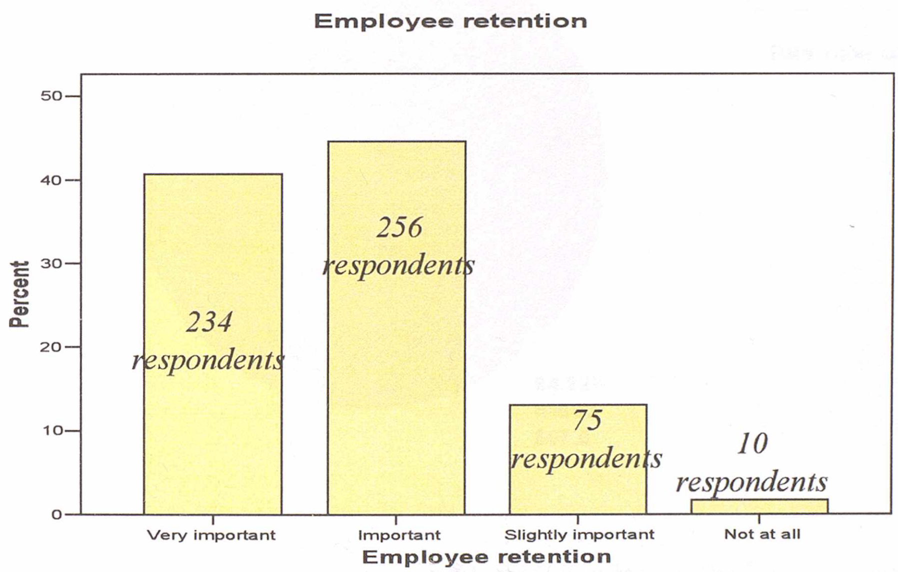
The Pearson chi square significance .000 reported for the association between the importance of employee satisfaction and type of respondent indicates a relationship between these two variables. As the findings of the crosstabulation table below show, the highest percentage of employees sampled (59.0%) understandably state that employee satisfaction is a very important factor in the success of CRM. However, the highest percentage of the guests sampled (46.8%) believe employee satisfaction to be an important factor in the success of CRM. Notwithstanding, with only 1.5% of the employees sampled and 2.2% of the guests sampled thinking that employee satisfaction is not at all important to the success of CRM, the findings of this crosstabulation reveal that the importance of employee satisfaction within the realm of CRM is generally recognised by both the employees sampled and the guests sampled.

Employee satisfaction * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Employee satisfaction	Very important	Count	160	116	276
		% within Employee satisfaction	58.0%	42.0%	100.0%
		% within Type of Respondent	59.0%	36.7%	47.0%
		% of Total	27.3%	19.8%	47.0%
	Important	Count	87	148	235
		% within Employee satisfaction	37.0%	63.0%	100.0%
		% within Type of Respondent	32.1%	46.8%	40.0%
		% of Total	14.8%	25.2%	40.0%
	Slightly important	Count	20	45	65
		% within Employee satisfaction	30.8%	69.2%	100.0%
		% within Type of Respondent	7.4%	14.2%	11.1%
		% of Total	3.4%	7.7%	11.1%
	Not at all	Count	4	7	11
		% within Employee satisfaction	36.4%	63.6%	100.0%
		% within Type of Respondent	1.5%	2.2%	1.9%
		% of Total	.7%	1.2%	1.9%
Total		Count	271	316	587
		% within Employee satisfaction	46.2%	53.8%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.2%	53.8%	100.0%

Employee retention

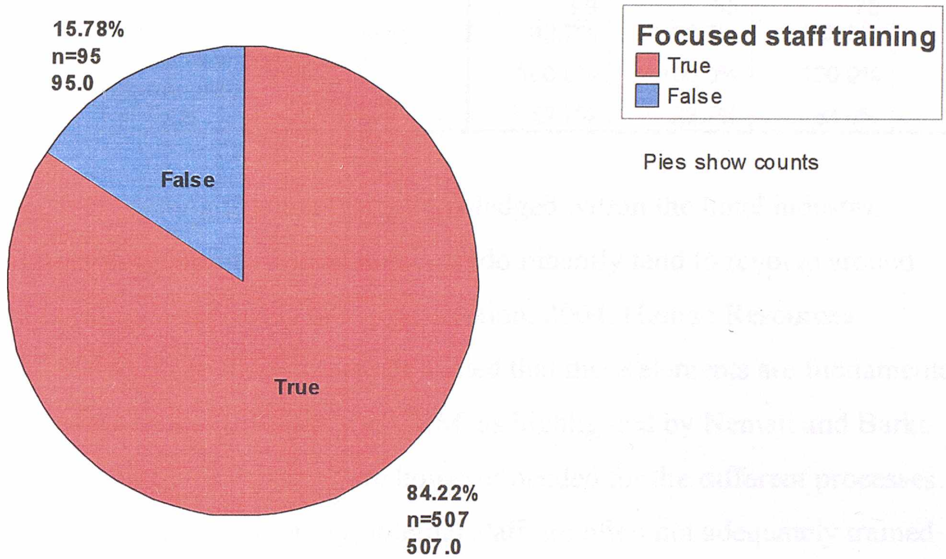
As discussed in Chapters Two and Three, employees' expertise can have a significant effect on customer satisfaction. As such, ensuring that customer service is delivered by experienced employees is considered to be a crucial criterion within CRM operations. The fact that the majority of the 575 valid responses (44.5%) considered employee retention to be important to the success of CRM and 40.7% of respondents considered this factor to be very important, clearly indicates that the importance of retaining experienced staff is generally recognised. In fact, only 1.7% of respondents believed this factor not to be at all important. When hypotheses of association were tested, all variables were however found to be independent to the importance attributed to employee retention.



Notwithstanding, the importance of employee retention has been well documented in literature. For instance, while Burgess (1994) contends that adequate training is essential for the retention of good employees, Nolan (2002) highlights how the development of human resources is essential to the commitment of staff. As employee retention is undeniably regarded to be connected to the service offered by employees, it is thus recommended that hotel companies invest in retaining their employees. In turn, the delivery of CRM is bound to be enhanced.

<u>Focused staff training</u>

For employees to be able to deliver what is expected from them in terms of CRM, they should not only be adequately trained, but they should also be kept informed of the hotel's chains intentions and operations with regards to CRM. Only then, it is argued would employees truly be motivated and indeed be in a position to deliver on what the hotel companies expect them to. 84.2% of the 602 valid responses agreed that focused staff training is part of CRM.



When hypotheses of association were tested, one factor, the business usage of guests, was found not to be independent to the importance attributed to employee retention. Thus, the null hypothesis set for this relationship was rejected in favour of the alternative hypothesis, which stipulates that these two variables are not independent.

The Pearson chi square significance .028 reported for the association between these variables indicates a relationship between how often guests stay in hotels on business during an average year and their beliefs about whether focused staff training is part of CRM. As indicated by the findings of the following crosstabulation table, the majority of the sampled guests with low business usage (86.9%), the majority of the sampled guests with medium business usage (70.9%) and the majority of the sampled guests with high business usage (85.9%) believe that focused staff training is part of CRM.

Focused staff training * New categories of business usage Crosstabulation

			New categories of business usage			Total
			Low	Medium	High	
Focused staff training	True	Count	86	39	67	192
		% within Focused staff training	44.8%	20.3%	34.9%	100.0%
		% within New categories of business usage	86.9%	70.9%	85.9%	82.8%
		% of Total	37.1%	16.8%	28.9%	82.8%
	False	Count	13	16	11	40
		% within Focused staff training	32.5%	40.0%	27.5%	100.0%
		% within New categories of business usage	13.1%	29.1%	14.1%	17.2%
		% of Total	5.6%	6.9%	4.7%	17.2%
Total		Count	99	55	78	232
		% within Focused staff training	42.7%	23.7%	33.6%	100.0%
		% within New categories of business usage	100.0%	100.0%	100.0%	100.0%
		% of Total	42.7%	23.7%	33.6%	100.0%

The significance of training is generally acknowledged within the hotel industry. However, training programmes within hotels predominantly tend to revolve around operations and customer service (Strategic Direction; 2004; Human Resources Management, 2004a). Even though it is not denied that these elements are fundamental to customer satisfaction and ultimately to CRM, as highlighted by Nemati and Barko (2003), differential levels of expertise are however needed for the different processes. As Luck and Lancaster (2003) identify, internal staff are often not adequately trained and experienced for advanced CRM processes such as data mining. As training and development calls for the investment of resources, it is recommended that companies tailor training programmes to their CRM objectives. Thereby, not only would staff receive the focused training needed, but just as importantly, hotel chains will ensure that operations and investments remain focused on their CRM objectives and needs.

Companies are in charge of devising training programmes and setting standards of service (Parasuraman and Berry, 1991). However, as CRM is targeted to guests, it is indeed the guests, who will ultimately be the ones whose expectations should be considered, then met. Consequently, it is advocated that hotel chains should train their employees in line with the real expectations of guests, and not only conduct training programmes based on what they think the expectations of the guests are. Accordingly, hotel chains should consistently and continuously strive to find out what their customers want before devising their CRM training programmes. Thus, instead of merely focusing training programmes on day-to-day operations, it is recommended that hotel chains strive to find a balance between focus on routine operations and long term activities and planning as these are considered as integral to the success of CRM. Indeed while day-to-day operations may be particularly relevant to the adequate immediate delivery of CRM, long term activities and planning are crucial with regards to the strategic embracing of the concept within hotel companies. Thus, even though the updating, maintenance and re-structuring of the training of employees may place high demands on the financial, human and even technological resources of hotel companies (Luck and Lancaster, 2003), McColl-Kennedy and White's (1997) contention that training is a necessity not a luxury, is considered unquestionably relevant to contemporary CRM within the hotel industry.

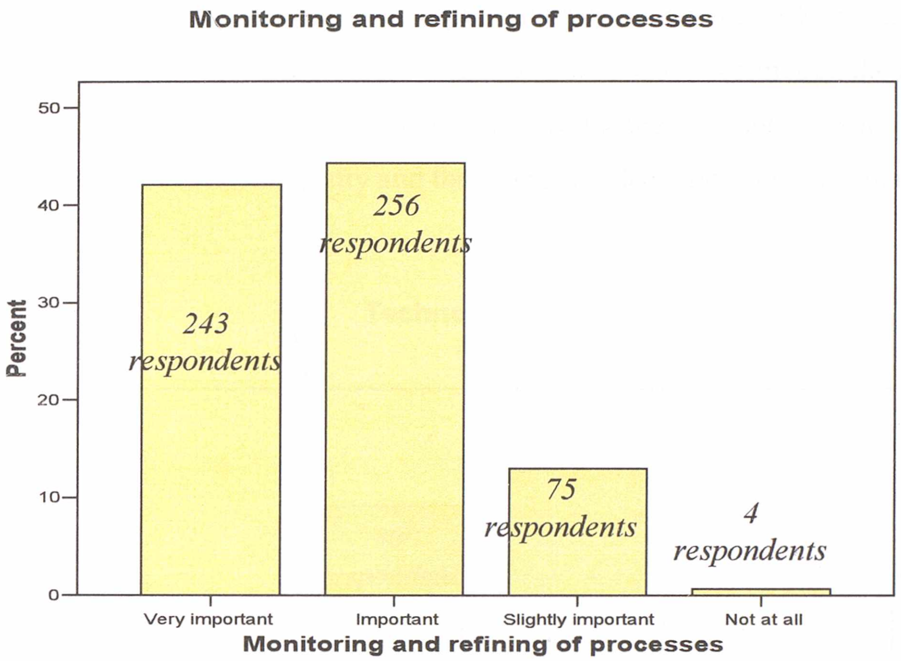
PROCESSES AND MECHANISMS

Monitoring and refining of processes

For CRM to be truly effective, it needs to be based on a solid strategic approach. However it is believed that the optimization of CRM not only involves the configuration of a company's resources and core competencies, but the uncovering of customers' critical success factors and thresholds is also considered crucial.

The majority of the 578 valid responses (44.3%) considered the monitoring and refining of processes to be important to the success of CRM. 42.0% considered this factor to be very important. Only 0.7% said that it is not at all important. However, when hypotheses of association were tested, no factor was found not to be independent to the importance attributed to the monitoring and refining of processes.

In spite of the varied degrees of importance allocated to the monitoring and refining of processes, the responses are indicative that the crucial role of this activity within contemporary CRM is generally acknowledged. Indeed, guests and employees appear to agree with Nitsche's (2002) contention that as people and indeed competition with regards to CRM is changing, companies should thus re-organize themselves in line with such changes and the new demands.

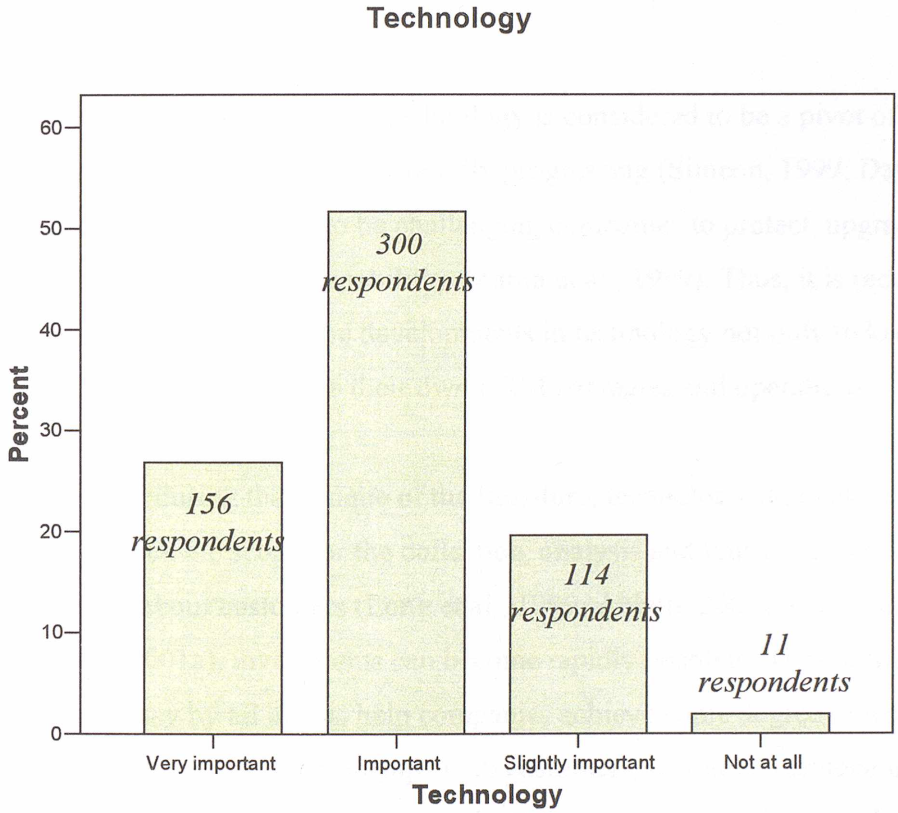


The role of technology within contemporary CRM

Technology

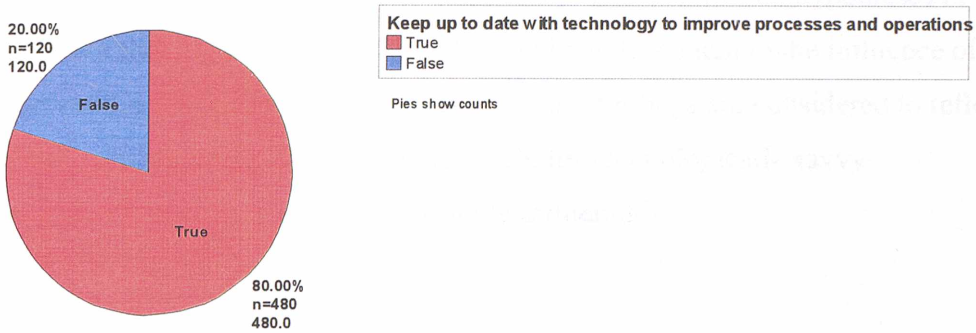
As discussed in Chapter Three, technology can play a variety of crucial roles within the CRM arena. As technology can have a strategic impact on internal as well as external relationships (Brodie et al., 1997; Zahra et al., 1999; Lee et al., 2003), it has been hailed as being able to revive and enhance personalized service with customer (Gilbert et al., 1999) as well as enable competitive advantage (Peppers and Rogers, 1999; Gattiker et al. 2000). Within this thesis, it is argued that within the CRM arena, technology and strategy are intertwined as indeed within the hotel industry, technology and strategy in evidence influence one another in a continuous loop in a dyadic exchange.

The majority of the 581 valid responses, 51.6%, considered technology to be important to the success of CRM while 26.9% regarded technology as very important. Only 1.9% of respondents thought this factor not at all important. Although when hypotheses of association were tested, no factor was found not to be independent to the rating of the relevance of technology to the success of CRM, this high percentage clearly indicates that respondents acknowledge the significant role, which technology plays within CRM current processes. However, these findings also reveal that although the importance of technology is understood, respondents also realize that technology is not the end all of CRM within the hotel industry and that there is indeed more to CRM than technology.



<u>Keep up to date with technology to improve processes and operations</u>

Although 80% of the 600 valid responses agreed that keeping up to date with technology to improve processes and operations is part of CRM, when hypotheses of associations were tested, no relationship among the variables was uncovered. Nonetheless, the high percentage of agreement is arguably indicative of the fact that both the guests and employees sampled understand that to remain competitive in terms of CRM, hotel chains need to keep themselves updated with regards to technological progress.

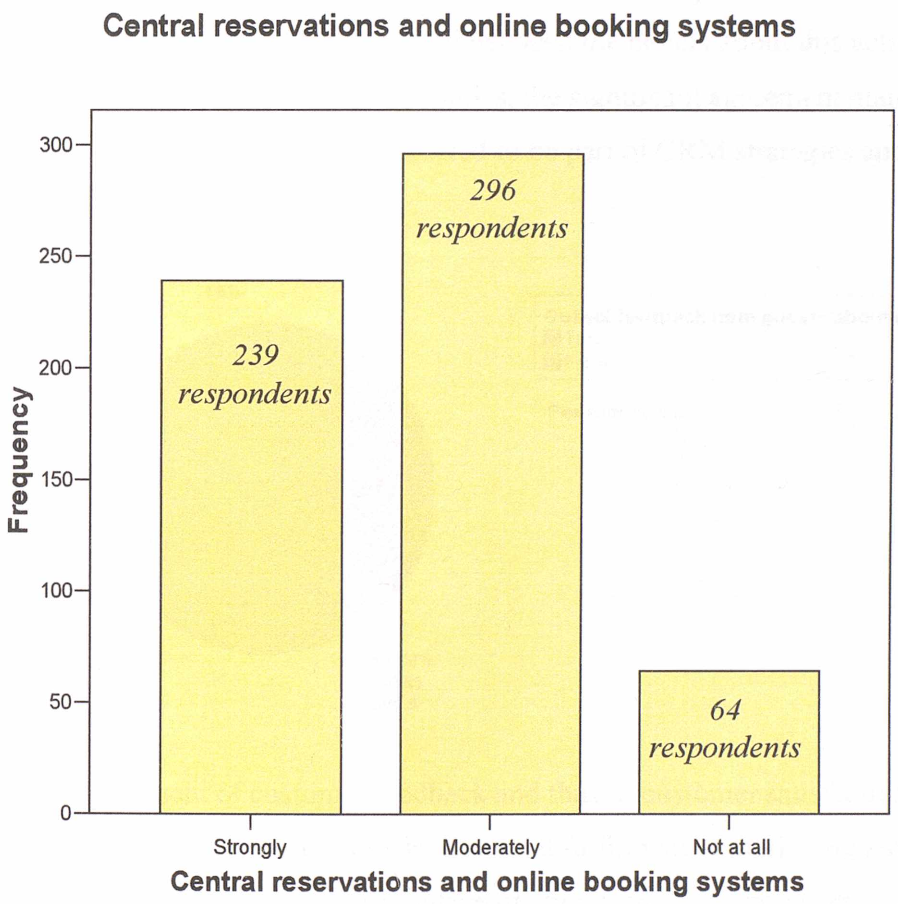


As discussed in Chapter Three, technology is considered to be a pivot of CRM. However, not only is technology rapidly progressing (Simeon, 1999; Davies, 2001a), but market dynamism appears to be challenging companies to protect, upgrade and even revise their technological capabilities (Zahra et al., 1999). Thus, it is recommended that hotel companies embrace the developments in technology not only to keep up with CRM progress but also to enhance their own CRM strategies and operations.

As identified during the critique of the literature, technological developments can by all means enhance the scope for the collection, analysis and thus the exploitation of information about customers (Long et al., 1999; Abbott, 2001). However, as highlighted by Davies (2001a), investments can become rapidly obsolete. Thus, although a focus on innovation may by all means help companies achieve some degree of leadership in terms of the enhancement of relationships with customers, it is however deemed primordial that hotel chains evaluate emerging technologies in line with their needs rather than purely based on technological merit (Davies, 2001b; Cushing, 2004). When this approach is taken, CRM processes and technological dimensions will not only be improved, but they will arguably remain aligned to the objectives of the hotel company.

Central reservations and online booking systems

The majority of the 599 valid responses, 49.4%, indicated that central reservations and online booking systems would only moderately influence their interest in CRM programmes. 39.9% stated that they would be strongly influenced while only 10.7% stated that this factor would not influence them at all. Although when hypotheses of association were tested, no factor was found not to be independent to the influence of central reservations and online booking systems, these findings are considered to reflect the interest of respondents in this feature. As such, for technologically savvy respondents, this feature may indeed be strongly influential.

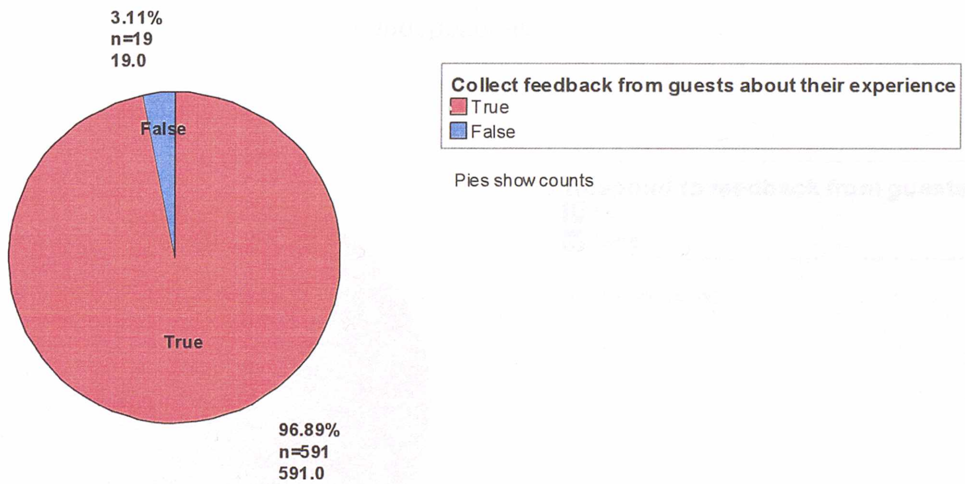


As different segments of customers are bound to have distinct attitudes about towards benefits and features, it is argued that prior to investing in technological enhancements, hotel companies should not only consider their own company's objectives and needs, but they should also assess whether these technological features are in fact considered to be of value to their core customers and their targeted customers. Only then, should financial and resource investments be directed into these specific technologies.

The Integration of Information Management Systems

Collection of feedback from guests about their experiences

When agreeing that the collection of feedback from guests about their experiences is part of CRM, 96.9% of the 610 valid responses seemed to support academia's contention that the feedback of customers is an integral part of the communications model discussed in Chapter Two (Solomon et al., 2002). Although when hypotheses of associations were tested, no relationship was uncovered between the beliefs about this activity and the various demographic and usage variables, the significant agreement majority indicates that this activity is generally considered to be part of CRM strategies and operations.

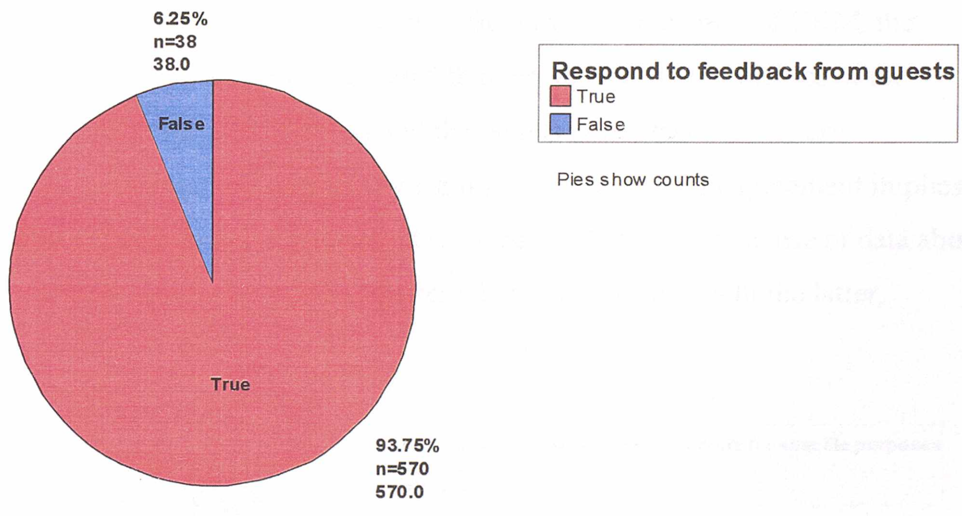


The measurement of customer feedback and thus of customer satisfaction is considered to be a crucial component in the devising and fulfilment of marketing strategy (Grönroos, 1994a). The high percentage of agreement also implies that customers and employees understand the significance of this activity.

Although feedback is necessary for hotel chains to assess their performance from their customers' perspective, it is argued that merely collecting feedback to evaluate a company's performance is simply not enough for CRM. Instead, as discussed in Chapter Three, feedback from customers should be continuously fed back into the information systems of the hotel chains. When this process is adhered to, a continuous learning loop can be facilitated for the companies (Davies, 2000; Bentley, 2005; Bradbury, 2005). Thus, from the feedback of customers, not only would current needs and wants of customers be identified, but changing needs would even be uncovered. Hence, by integrating the information gathered from feedback into their strategy processes, hotel companies can gain, maintain, enhance and even alter their CRM competitive edge.

<u>Respond to feedback from guests</u>

93.8% of the 608 valid responses agreed that responding to feedback from guests is part of CRM. However, when the association between beliefs about this activity and the demographics of the respondents and the usage of hotels by guests were tested, the variables were repeatedly found to be independent.

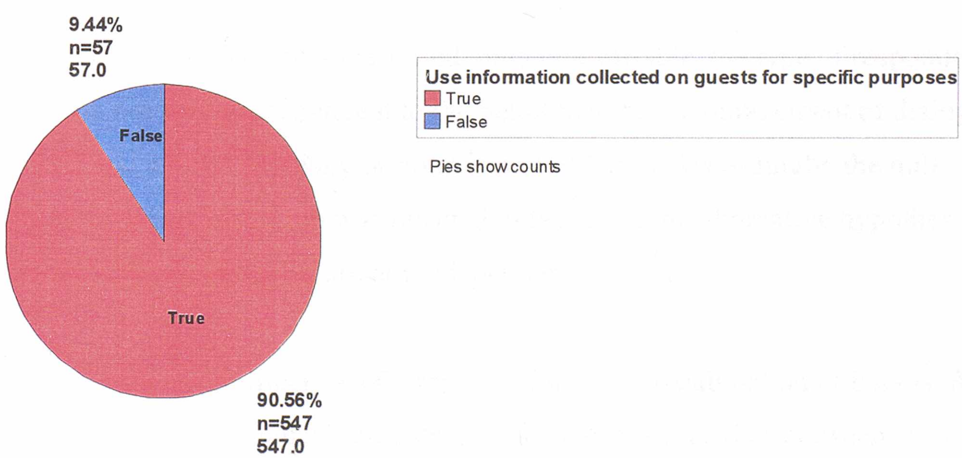


Within service industries, the customer is said to be key to the growth and survival of companies (Lancaster and Reynolds, 1995; Kotler et al., 2002). As discussed in Chapters Two and Three, from the feedback of guests, the genuine needs and wants of core customers can be identified. Subsequently, products and services can be tailored accordingly (Simkin, 2000). However, customer information systems are not only an integral part of marketing strategy (Grönroos, 1994a), but responding to feedback from customers is expected to undoubtedly help enhance the alignment between the offerings of a hotel chain in terms of CRM and their customers' expectations.

Use information collected on guests for specific purposes

The collection of information about customers is an important aspect of CRM. However, how this information is sifted and used by hotel chains is even more significant. As discussed in Chapter Three, segmentation of information about customers can help detect, evaluate and select homogeneous categories of customers (Reichheld and Schefter, 2000). As target markets for potential strategy can be identified (Gulati and Garino, 2000), behaviour can thus be predicted (Clemons and Row, 2000). Thereby, CRM campaigns can be precisely targeted to customers (Lester, 2004; Bentley, 2005).

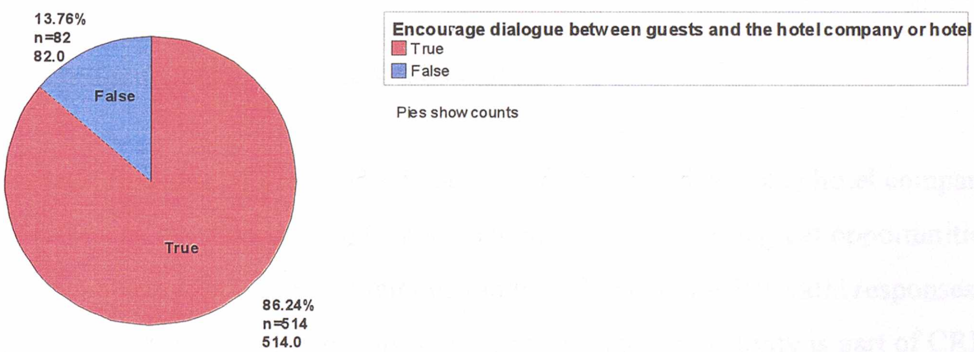
Although the majority of the 604 valid responses, 90.6%, considered the process of using information collected on guests for specific purposes to be part of CRM, the testing of hypotheses of association revealed that the various demographics of the respondents or the guests' use of hotels and the beliefs about this activity are independent. Nonetheless, the statistically significant percentage in agreement implies that guests and employees acknowledged that the analysis and specific use of data about customers can help companies build and strengthen relationships with the latter.



The Age of Communication and Interaction

Encourage dialogue between guests and the hotel company or hotel

According to Christopher et al. (1991), one of the seven dimensions of contrast between Traditional Marketing and Relationship Marketing is customer contact. As discussed in Chapter Two, Feiertag (1999) even contends that good communications is central to the practice of Relationship Marketing. Interaction is in fact such a crucial dimension of CRM that Håkansson and Snehota (2000) argue that relationships are built through interaction processes. When stating that they believe that the encouraging of dialogue between guests and a hotel company or hotel is part of CRM, 86.2% of the 596 valid responses supported these academic contentions.



When hypotheses of associations were tested, only one variable, the type of respondent, was identified as not being independent to the belief that the encouragement of dialogue between guests and a hotel company or hotel is part of CRM. Accordingly, the null hypothesis set for this relationship was rejected in favour of the alternative hypothesis that stipulates that these variables are not independent.

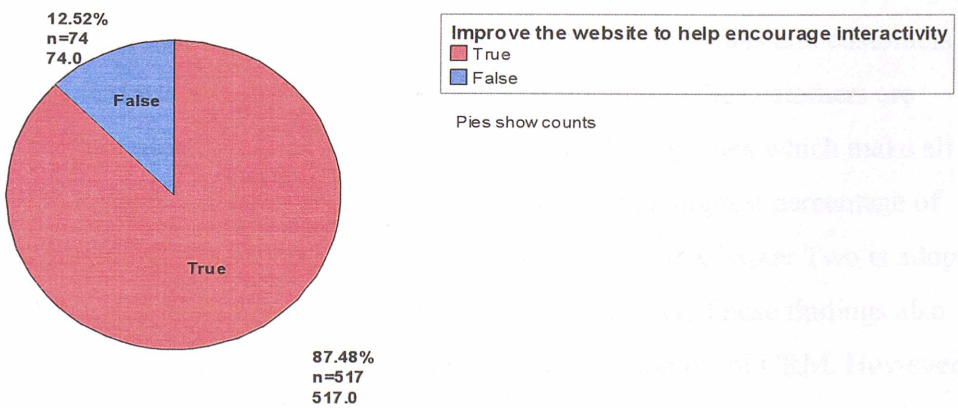
The Pearson chi square significance .000 reported for the crosstabulation of beliefs about this activity and type of respondent indicates that an association exists between these two variables. As the findings of the following crosstabulation table indicate, the majority of the employees sampled (92.1%) and guests sampled (81.0%) agree that the encouragement of dialogue between guests and a hotel company or hotel is part of CRM. The findings also reveal that the percentage of the sampled guests (19.0%) who believe that this activity is not part of CRM activity is more than twice as big as the percentage of the sampled employees (7.9%) who think that this activity is not part of CRM.

Encourage dialogue between guests and the hotel company or hotel * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
Encourage dialogue between guests and the hotel company or hotel	True	Count	258	256	514
		% within Encourage dialogue between guests and the hotel company or hotel	50.2%	49.8%	100.0%
		% within Type of Respondent	92.1%	81.0%	86.2%
		% of Total	43.3%	43.0%	86.2%
	False	Count	22	60	82
		% within Encourage dialogue between guests and the hotel company or hotel	26.8%	73.2%	100.0%
		% within Type of Respondent	7.9%	19.0%	13.8%
		% of Total	3.7%	10.1%	13.8%
Total		Count	280	316	596
		% within Encourage dialogue between guests and the hotel company or hotel	47.0%	53.0%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	47.0%	53.0%	100.0%

Improve the website to help encourage interactivity

The Internet has been transforming the dynamics of interaction between hotel companies and their customers. As discussed in Chapter Three, it indeed offers great opportunities for hotel companies to get closer to their customers. 87.5% of the 591 valid responses agreed that the improvement of websites to help encourage interactivity is part of CRM.



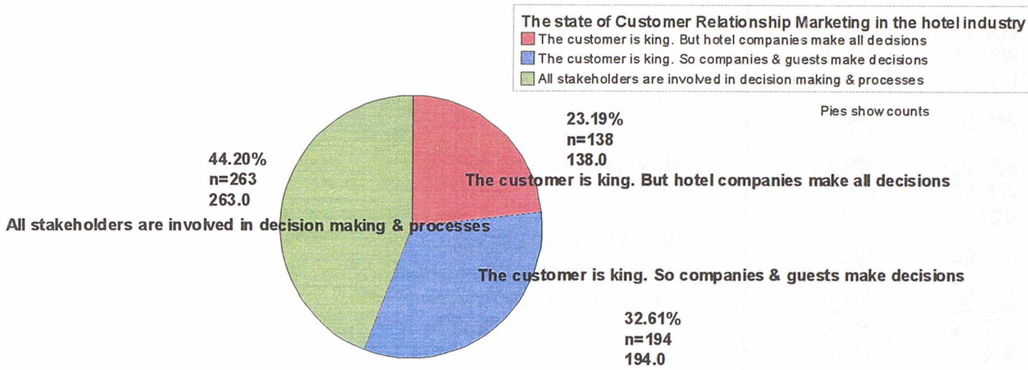
Although, when hypotheses of associations were tested, the demographic features of the respondents and the guests' usage of hotels were all found to be independent to beliefs about this activity, the high percentage of agreement supports the argument that as the Internet offers a higher degree of interaction than any other medium of communication, this opportunity should be maximized by hotel chains.

As discussed in Chapter Three, ill-designed websites can hinder opportunities to communicate with customers (Cushing, 2004). As such, it is recommended that hotel chains ensure that their websites are not only functional (Davies, 2001a) but that they are also regularly updated. Indeed, not only should websites reflect technological progress, but just as importantly, as also discussed in Chapter Three, they should remain relevant to the company's customer base and the core customers. Consequently, when assessing how to improve their website to encourage interactivity, hotel companies should take into consideration the needs and wants of core customers as well as their business needs. Only when these elements are continually considered, would CRM be truly successful.

PREVAILING PERCEPTIONS ABOUT THE STATE OF CRM IN THE HOTEL INDUSTRY

The State of CRM in the hotel industry

The majority of the 595 valid responses, 44.2%, believed that within the hotel industry, all stakeholders namely the hotel companies, employees as well as customers, are involved in CRM. While 32.6% considered that only hotel companies and customers participate in CRM processes, 22.4% believed that even though the customers are considered to be of most importance, it is in fact the hotel companies which make all the decisions with regards to CRM. These findings indicate that a highest percentage of respondents believe that the truly holistic approach discussed in Chapter Two is adopted with regards to CRM decision-making within the hotel industry. These findings also indicate that companies are not always seen to be solely in control of CRM. However, the fact that 32.6% of respondents believed that as the customer is of most importance, customers and companies make the decisions, indicates that CRM is also strongly associated with just customers and hotel companies rather than with employees also.



When hypotheses of association were tested, four factors were found not to be independent to the belief about the state of CRM in the hotel industry. These are: type of respondent, gender, level of employment of guests and the purpose of visit of the guests. Subsequently, the null hypotheses set for these two-way relationships were all rejected in favour of the alternative hypotheses, which stipulate that the beliefs about the state of CRM within the hotel and these respective variables are not independent.

The Pearson chi square significance .040 reported for the crosstabulation of the beliefs about CRM and whether the respondent is a guest or an employee indicates an association between these two variables. As indicated by the findings of the following crosstabulation table, the majority of the employees (48.4%) and guests sampled (40.6%) believe that all stakeholders are involved in the decision process. However, the findings of the crosstabulation also reveal that a significant percentage of the employees sampled (32.9%) and of the guests sampled (32.4%) also believe that the customer is of most importance and that the guests and companies work together in the decision making process about CRM. Notwithstanding, these findings also illustrate that albeit much less than for the other two beliefs, a significant percentage of the guests sampled (27.0%) and of the employees sampled (18.8%) think that although the customer is of most importance, it is in fact the hotel companies that make all the decisions with regards to CRM.

The state of Customer Relationship Marketing in the hotel industry * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
The state of CRM in the Hotel Industry	The customer is king But hotel companies make all decisions	Count	52	86	138
		% within The state of CRM in the hotel industry	37.7%	62.3%	100.0%
		% within Type of Respondent	18.8%	27.0%	23.2%
		% of Total	8.7%	14.5%	23.2%
	The customer is king. So companies & guests make decisions	Count	91	103	194
		% within The state of CRM in the hotel industry	46.9%	53.1%	100.0%
		% within Type of Respondent	32.9%	32.4%	32.6%
		% of Total	15.3%	17.3%	32.6%
State	All stakeholders are Involved in decision making & processes	Count	134	129	263
		% within The state of CRM in the hotel industry	51.0%	49.0%	100.0%
		% within Type of Respondent	48.4%	40.6%	44.2%
		% of Total	22.5%	21.7%	44.2%
Total		Count	277	318	595
		% within The state of CRM in the hotel industry	46.6%	53.4%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.6%	53.4%	100.0%

The Pearson chi square significance .007 reported indicates an association between this belief about CRM and gender. The findings of the table below show that the majority of males (40.5%) and females sampled (50.2%) believe that all stakeholders are involved in the decision process. High percentages of agreement are also noted for the belief that customers and hotels make decisions (males: 31.9%; females 32.8%). The lowest level of agreement is about the belief that the customer is regarded as most important, but it is however solely the companies that make the decisions (males: 27.6%; females 17.0%).

The state of Customer Relationship Marketing in the hotel industry * Gender Crosstabulation

			Gender		Total
			Male	Female	
The state of	The customer is king. But hotel companies make all decisions	Count	97	40	137
		% within The state of CRM in the hotel industry	70.8%	29.2%	100.0%
		% within Gender	27.6%	17.0%	23.4%
		% of Total	16.6%	6.8%	23.4%
CRM in the hotel Industry	The customer is king. So companies & guests make decisions	Count	112	77	189
		% within The state of CRM in the hotel industry	59.3%	40.7%	100.0%
		% within Gender	31.9%	32.8%	32.3%
		% of Total	19.1%	13.1%	32.3%
	All stakeholders are involved in decision making & processes	Count	142	118	260
		% within The state of CRM in the hotel industry	54.6%	45.4%	100.0%
		% within Gender	40.5%	50.2%	44.4%
		% of Total	24.2%	20.1%	44.4%
Total		Count	351	235	586
		% within The state of CRM in the hotel industry	59.9%	40.1%	100.0%
		% within Gender	100.0%	100.0%	100.0%
		% of Total	59.9%	40.1%	100.0%

The Pearson chi square significance .008 reported for the crosstabulation of beliefs about the state of CRM and the guests' employment level indicates an association between the two variables. As the findings of the table below indicate, the majority of the sampled guests employed in a professional or managerial position (44.7%) believe that all stakeholders are involved in CRM decision making processes. The majority of those not employed in a professional or managerial position (42.7%) believe that hotel companies work with customers to make decisions. Notwithstanding, the high percentages noted for the other options indicate that beliefs about the decision making process within the hotel industry as far as CRM is concerned is widely divided.

The state of CRM in the hotel industry * New groups of guest's employment Crosstabulation

			New groups of guest's employment		Total
			Professional / Managerial	Not Professional or Managerial	
The state of CRM in the hotel industry	The customer is king. But hotel companies make all decisions	Count	58	27	85
		% within The state of CRM in the hotel industry	68.2%	31.8%	100.0%
		% within New groups of guest's employment	29.4%	23.1%	27.1%
		% of Total	18.5%	8.6%	27.1%
	The customer is king. So companies & guests make decisions	Count	51	50	101
		% within The state of CRM in the hotel industry	50.5%	49.5%	100.0%
		% within New groups of guest's employment	25.9%	42.7%	32.2%
		% of Total	16.2%	15.9%	32.2%
	All stakeholders are involved in decision making & processes	Count	88	40	128
		% within The state of CRM in the hotel industry	68.8%	31.3%	100.0%
		% within New groups of guest's employment	44.7%	34.2%	40.8%
		% of Total	28.0%	12.7%	40.8%
Total		Count	197	117	314
		% within The state of CRM in the hotel industry	62.7%	37.3%	100.0%
		% within New groups of guest's employment	100.0%	100.0%	100.0%
		% of Total	62.7%	37.3%	100.0%

The Pearson chi square significance .028 reported for the crosstabulation of the beliefs about the state of CRM and purpose of guests' visit indicates an association between the two variables. As the findings of the following table show, the majority of guests on leisure (46.7%) and guests on business (37.4%) believe that all stakeholders are involved in the decision making and CRM processes. The beliefs of the guests on business are more evenly distributed with 32.8% believing that hotel companies make all the decisions and 29.9% believing that hotel companies work with customers. In contrast, only 19.3% of the guests on leisure believe that the hotel companies solely make all the decisions.

The state of CRM in the hotel industry * Purpose of this visit to the hotel Crosstabulation

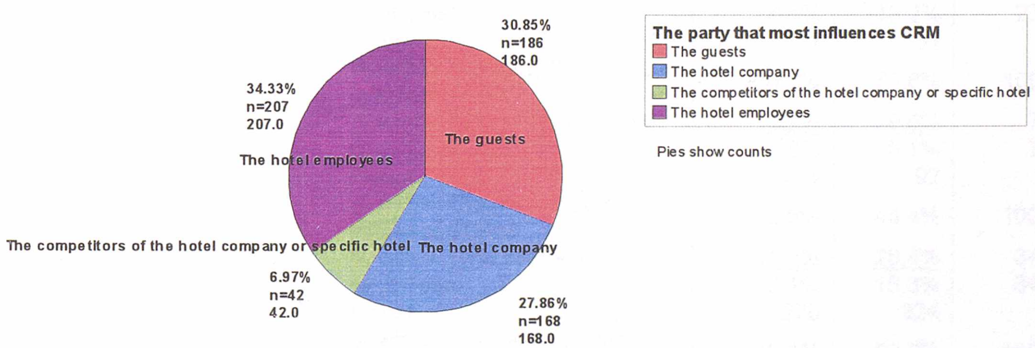
			Purpose of this visit to the hotel		Total
			Leisure	Business	
The state of CRM in the hotel Industry	The customer is king. But hotel companies make all decisions	Count	26	57	83
		% within The state of CRM in the hotel industry	31.3%	68.7%	100.0%
		% within Purpose of this visit to the hotel	19.3%	32.8%	26.9%
		% of Total	8.4%	18.4%	26.9%
	The customer is king. So companies & guests make decisions	Count	46	52	98
		% within The state of CRM in the hotel industry	46.9%	53.1%	100.0%
		% within Purpose of this visit to the hotel	34.1%	29.9%	31.7%
		% of Total	14.9%	16.8%	31.7%
	All stakeholders are involved in decision making & processes	Count	63	65	128
		% within The state of CRM in the hotel industry	49.2%	50.8%	100.0%
		% within Purpose of this visit to the hotel	46.7%	37.4%	41.4%
		% of Total	20.4%	21.0%	41.4%
Total		Count	135	174	309
		% within The state of CRM in the hotel industry	43.7%	56.3%	100.0%
		% within Purpose of this visit to the hotel	100.0%	100.0%	100.0%
		% of Total	43.7%	56.3%	100.0%

The saturated model of loglinear analysis was run to test the hypotheses of association among the variable, beliefs about the state of CRM within the hotel industry, and the four variables, namely: type of respondent, gender, guests' level of employment and guests' purpose of visit, with which the chi square statistic previously revealed no independence. However, no five-way, four-way or three-way relationship was uncovered among these variables. Consequently, all the null hypotheses of associations are not rejected.

CRM is quintessentially targeted to customers. As such, customers should not only be the focus of CRM initiatives but just as importantly, they should play a crucial role in the processes. In fact, according Chen and Popovich (2003), CRM is equal to an enterprise customer-centric business model, which needs to be built around guests. Accordingly, it is recommended that all business decisions be made with attentive reference to the customers. Indeed, the customer should undoubtedly remain at the centre of operations (Zineldin, 1999; Reyes Pacios Lozano, 2000; Overell, 2004). This is deemed even more important in view of the current shift from customer relations management to customer managed relationships, which according to Prabhaker (2000) is taking place within the marketing environment. The fact that the majority of the respondents believe that all stakeholders are currently involved in CRM decision making processes is indicative that the holistic contention that the entire organization needs to be included if CRM is to be genuinely embraced and successfully maintained within a hotel companies is somehow understood.

Party who has the most influence on CRM

The majority of the 603 valid responses, 34.3% considered employees to have the most influence on CRM. 30.8% thought guests have the most influence on CRM while 27.9% thought that the hotel company has the most influence.



When hypotheses of association were tested, two factors were found not to be independent to the level of influence attributed to the parties. These are: type of respondent and age. Subsequently, the null hypotheses set for these two-way relationships were rejected in favour of the alternative hypotheses, which stipulate that the beliefs about the state of CRM in the hotel industry and these respective variables are not independent.

The Pearson chi square significance .000 reported for the crosstabulation of the beliefs about the amount of influence of the various parties and the type of respondent indicates an association between the two variables. As the findings of the table below illustrate, while the majority of the sampled employees (41.2%) think that employees have the most influence on CRM, the majority of the sampled guests (35.8%) think that it is in fact the hotel companies that most influence CRM. The high percentage of agreement about the influence of guests (employees: 36.2%; guests: 26.2%) is indicative that the role of the latter within CRM is also understood. However, both the sampled guests and employees considered the competitors to have the least influence (employees: 3.9%; guests: 9.6%).

The party that most influences CRM * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
The party that most influences CRM	The guests	Count	101	85	186
		% within The party that most influences CRM	54.3%	45.7%	100.0%
		% within Type of Respondent	36.2%	26.2%	30.8%
		% of Total	16.7%	14.1%	30.8%
	The hotel company	Count	52	116	168
		% within The party that most influences CRM	31.0%	69.0%	100.0%
		% within Type of Respondent	18.6%	35.8%	27.9%
		% of Total	8.6%	19.2%	27.9%
	The competitors of the hotel company or specific hotel	Count	11	31	42
		% within The party that most influences CRM	26.2%	73.8%	100.0%
		% within Type of Respondent	3.9%	9.6%	7.0%
		% of Total	1.8%	5.1%	7.0%
	The hotel employees	Count	115	92	207
		% within The party that most influences CRM	55.6%	44.4%	100.0%
		% within Type of Respondent	41.2%	28.4%	34.3%
		% of Total	19.1%	15.3%	34.3%
Total		Count	279	324	603
		% within The party that most influences CRM	46.3%	53.7%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.3%	53.7%	100.0%

The Pearson chi square significance .000 reported for the crosstabulation between the beliefs about the amount of influence of the various parties and the age of the respondent indicates an association between the two variables. As the findings of the following table illustrate, the majority of the younger respondents sampled (38.7%) think that employees have the most influence on CRM. In contrast, the majority of the older respondents sampled (32.1%) think that hotel companies most influence CRM. However, both the younger and older respondents sampled believe competitors to have the least influence on CRM (younger: 4.1%; older: 11.4%). It is however noted that the beliefs of the older respondents are more evenly spread than those of the younger ones.

The party that most influences CRM * New age groups Crosstabulation

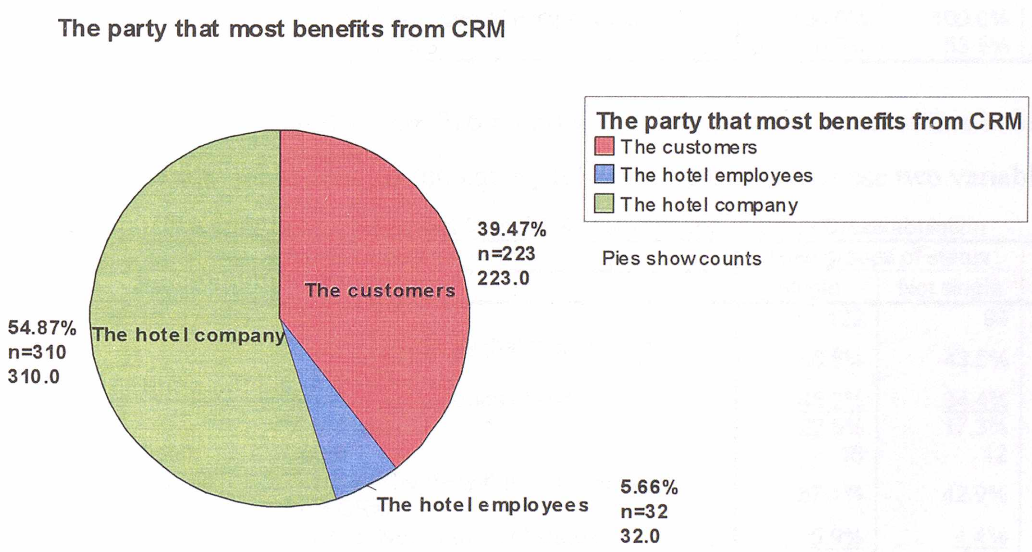
			New age groups		Total
			Younger	Older	
The party that most influences CRM	The guests	Count	110	70	180
		% within The party that most influences CRM	61.1%	38.9%	100.0%
		% within New age groups	32.0%	28.5%	30.5%
		% of Total	18.6%	11.9%	30.5%
	The hotel company	Count	87	79	166
		% within The party that most influences CRM	52.4%	47.6%	100.0%
		% within New age groups	25.3%	32.1%	28.1%
		% of Total	14.7%	13.4%	28.1%
	The competitors of the hotel company or specific hotel	Count	14	28	42
		% within The party that most influences CRM	33.3%	66.7%	100.0%
		% within New age groups	4.1%	11.4%	7.1%
		% of Total	2.4%	4.7%	7.1%
	The hotel employees	Count	133	69	202
		% within The party that most influences CRM	65.8%	34.2%	100.0%
		% within New age groups	38.7%	28.0%	34.2%
		% of Total	22.5%	11.7%	34.2%
Total		Count	344	246	590
		% within The party that most influences CRM	58.3%	41.7%	100.0%
		% within New age groups	100.0%	100.0%	100.0%
		% of Total	58.3%	41.7%	100.0%

The saturated model of loglinear analysis was run to test the hypotheses of association among the variable, party that most influences CRM, and the two variables, type of respondent and age, with which the chi square statistic previously revealed no independence. However, no three-way relationship was identified among these three variables.

As employees help create customer satisfaction, it is argued that they are thus also going to influence customers about CRM initiatives. Indeed, unless customer satisfaction is achieved, it is highly unlikely that a customer will want to engage in any relationship with a hotel chain. Moreover, as they are part of a company's brand (Aaker, 1996), employees are indeed the delivers of a hotel chain's CRM objectives and strategies. Nonetheless, it also cannot be ignored that it is in fact guests towards whom CRM is targeted. Accordingly, it is argued that both these parties are bound to influence CRM. Furthermore, as it is indeed the hotel company, which is ultimately bound to make the decisions about CRM, the influence of the former is also undeniable. These findings illustrate that beliefs about which party has the most influence on CRM is indeed varied. However, as discussed by in Chapter Two, when Relationship Marketing and CRM are holistically embraced within a company, the hotel organization, employees as well as customers are regarded as equal partners and are thus all influential.

Party who benefits the most from CRM

The majority of the 565 valid responses, 54.9%, believed that the hotel company benefits the most from CRM. While 39.5% thought that guests benefit the most, only 5.7% believed that employees benefit the most. When hypotheses of association were tested two factors, type of respondent and marital status, were found not to be independent to the beliefs about which party benefits the most from CRM. The null hypotheses set for these two relationships were thus rejected in favour of the alternative hypotheses.



The Pearson chi square significance .016 reported for the crosstabulation of this belief and whether the respondent is a guest or an employee indicates a relationship between these two variables. As the findings of the following table indicate, the majority of both the employees (50.6%) and guests (58.6%) sampled think that it is the hotel company that benefits the most from CRM. A high percentage of employees (41.1%) and guests (38.1%) sampled think that customers benefit the most from CRM. Interestingly, the lowest percentages of both sampled employees (8.4%) and guests (3.3%) think that hotel employees benefit the most from CRM.

The party that most benefits from CRM * Type of Respondent Crosstabulation

			Type of Respondent		Total
			Employee	Guest	
The party that most benefits from CRM	The customers	Count	108	115	223
		% within The party that most benefits from CRM	48.4%	51.6%	100.0%
		% within Type of Respondent	41.1%	38.1%	39.5%
		% of Total	19.1%	20.4%	39.5%
	The hotel employees	Count	22	10	32
		% within The party that most benefits from CRM	68.8%	31.3%	100.0%
		% within Type of Respondent	8.4%	3.3%	5.7%
		% of Total	3.9%	1.8%	5.7%
	The hotel company	Count	133	177	310
		% within The party that most benefits from CRM	42.9%	57.1%	100.0%
		% within Type of Respondent	50.6%	58.6%	54.9%
		% of Total	23.5%	31.3%	54.9%
Total		Count	263	302	565
		% within The party that most benefits from CRM	46.5%	53.5%	100.0%
		% within Type of Respondent	100.0%	100.0%	100.0%
		% of Total	46.5%	53.5%	100.0%

The Pearson chi square significance .016 reported for the crosstabulation of this belief and the respondents' marital status indicates a relationship between these two variables.

The party that most benefits from CRM * New groups of status Crosstabulation

			New groups of status		Total
			Single	Not single	
The party that most benefits from CRM	The customers	Count	122	94	216
		% within The party that most benefits from CRM	56.5%	43.5%	100.0%
		% within New groups of status	45.2%	34.4%	39.8%
		% of Total	22.5%	17.3%	39.8%
	The hotel employees	Count	16	12	28
		% within The party that most benefits from CRM	57.1%	42.9%	100.0%
		% within New groups of status	5.9%	4.4%	5.2%
		% of Total	2.9%	2.2%	5.2%
	The hotel company	Count	132	167	299
		% within The party that most benefits from CRM	44.1%	55.9%	100.0%
		% within New groups of status	48.9%	61.2%	55.1%
		% of Total	24.3%	30.8%	55.1%
Total		Count	270	273	543
		% within The party that most benefits from CRM	49.7%	50.3%	100.0%
		% within New groups of status	100.0%	100.0%	100.0%
		% of Total	49.7%	50.3%	100.0%

As indicated by the findings of the crosstabulation table above, the majority of single respondents (48.9%) and not single respondents (61.2%) think that the hotel company benefits most from CRM. The lowest percentages of both sampled singles (5.9%) and non singles (4.4%) think that hotel employees benefit the most from CRM. However, a high percentage of the singles (45.2%) and non singles (34.4%) sampled think that customers benefits the most from CRM

The saturated model of loglinear analysis was run to test the hypotheses of association among the variable, party that most benefits from CRM, and the two variables, type of respondent and marital status, with which the chi square statistic previously revealed no independence. As the standard error value, Z-Value, for the three-way interaction was reported to be -2.43523, hence not within the range ±1.96, the null hypothesis:

H_0: Beliefs about the party that most benefits from CRM, type of respondent and marital status are independent,

was rejected in favour of the alternative hypothesis:

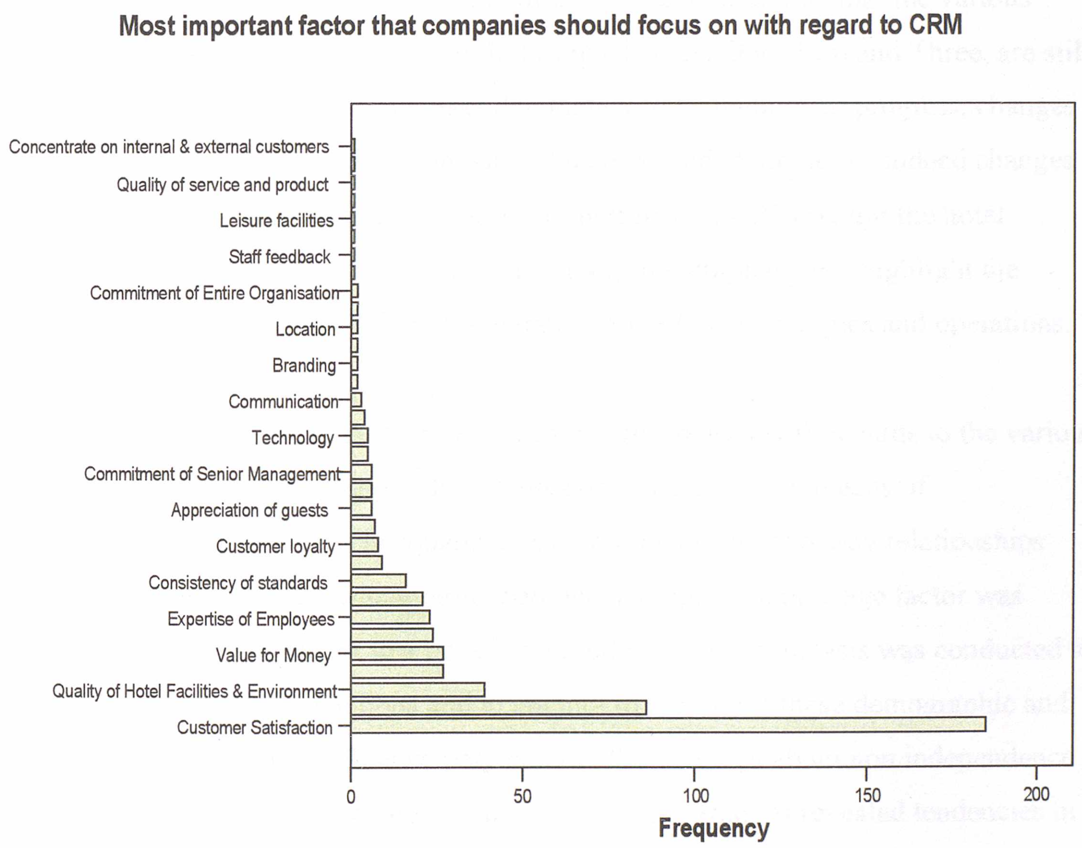
H_1: Beliefs about the party that most benefits from CRM, type of respondent and marital status are not independent

Thus, it is concluded that a three-way relationship exists among these three variables.

Although CRM is particularly targeted to customers, as discussed in Chapter Two, Relationship Marketing conceptually entails the basic fulfilment of promises not only towards guests but also towards employees. Indeed, even though CRM may particularly be intended for the maintenance and nurturing of existing guests, the value of internal Relationship Marketing is increasingly being hailed. Additionally, as discussed in Chapter Three, as return on investment in CRM is increasingly being sought by hotel companies, the benefit of the hotel company is by all means sought from CRM. However, the findings contradict the academic holistic contention that in practice CRM can be as beneficial to employees as to the companies and guests. Indeed, these findings indicate that hotel companies and guests are considered to be the ones, who primordially benefit from CRM.

SUNDRY FACTORS OF CRM OPERATIONS AND STRATEGY

The findings about the most important factor which respondents think that hotel companies should concentrate on with regards to CRM reveal that the dimensions generally associated with the hotel industry dominate respondents' perceptions about CRM in the hotel industry. This indicates that when given the opportunity to voice their thoughts about CRM in their own terms, respondents quintessentially do not consider CRM to be detached from the traditional elements sought from the hotel industry.



As discussed in Chapter Four, in an attempt to explore the perceptions of guests in more depth and with much less academic bias than has been imposed during the questionnaires, a range of the most popular factors identified above have been used as the elements in the repertory grids to be used during the interviews in the second phase of the fieldwork. As discussed in Chapters Four and Seven, after the pilot study the twelve most frequent responses were used in the final repertory grids.

SYNOPTIC OVERVIEW

The analyses throughout this chapter have been conducted for two specific reasons. The first objective was to determine whether processes or activities, which academics have said to be part of Relationship Marketing and CRM, are still associated with CRM within the hotel industry. By examining the beliefs of respondents about whether these activities are part of CRM or not, these analyses helped reconstruct a theoretical framework for CRM in the hotel industry in contemporary terms. By identifying that the activities being examined are all, albeit with some variation of consideration, generally believed to be part of CRM activity, these findings clearly illustrate that the various theoretical dimensions, reviewed in depth during Chapters One, Two and Three, are still in spite of having evolved in some cases due mainly to technological progress, changes in needs of customers, changes in company objectives and strategies or indeed changes in the marketing environment, nonetheless still pertinent to CRM within the hotel industry. These findings therefore comprehensively and emphatically highlight the activities that hotel companies should integrate in their CRM strategies and operations.

The second objective was to determine perceptual differences with regards to the various dimensions of CRM. The testing of hypotheses of associations by means of crosstabulations and Pearson chi square statistic run identified two-way relationships between variables. In cases, where more than one demographic or usage factor was found to not to be independent to a belief or attitude, loglinear analysis was conducted to search for higher order interactions and to attempt to identify if these demographic and usage factors interrelate to influence perceptions. The findings about non independence and interrelations with specific demographic and usage variables revealed tendencies in perceptions. Accordingly, these findings can help hotel companies precisely target the dimensions of CRM to their segmented guests and indeed refine their own data mining and targeting processes.

In essence, this chapter helped ground this research study as an example of basic research as well as an example of applied research. Indeed, not only is the conceptual framework of CRM examined but so too are dimensions, which hotel companies should embrace in their CRM strategies and operations. Accordingly, the status of this research study as a combination of basic and applied research is consolidated.

CHAPTER SEVEN

INTRODUCTION

The aim of the second phase of the primary research, the Repertory Grid interviews, is to identify which image attributes or constructs guests and employees associate with CRM with minimum bias and imposition from the researcher. The ultimate aim is to enable the achievement of the fifth objective of this research study, by uncovering a list of dimensions, which are specific to the hotel industry. It was intended that the data gathered during the repertory interviews, albeit being acquired in a qualitative format, would be converted into quantitative data for analysis. The main objectives of the analysis of the repertory grids are thus to represent the data gathered during the interviews quantitatively whilst attempt to represent the reality of guests and employees statistically. Indeed, the analysis of the repertory grids is intended to be aligned to the predominantly positivist position and epistemological approach adopted within this thesis.

The analysis of the data collected during the repertory interviews can be divided into two distinct stages. The first stage of the analysis consists of factor analysis. The techniques associated with factor analysis are intended to not only reduce the data gathered during the interviews but also to summarise the data into factors and, as discussed in Chapter Four, into construct subsystems and ultimately into a miniature system specific to the hotel industry. The findings of factor analysis are projected to be subsequently examined further in line with the demographic and usage features of the interviewees during the second stage of the analysis. Accordingly, the second stage involves the identification and testing of hypotheses of associations. Thus, through hypothesis testing predominantly involving the common factors or rather the common construct subsystems identified by the set of techniques of factor analysis, differential perceptions and patterns are expected to be uncovered. These are intended to be analysed in depth in the following chapter, namely Chapter Eight.

In view of the copious amount of outputs generated by the running of the various techniques of factor analysis for each of the one hundred repertory grids, rather than feature all the reports as appendices, a sample of each step of the analyses has been included in this chapter during the discussion of each relevant technique.

THE DECIPHERING OF DATA COLLATED IN THE REPERTORY GRIDS

Although Marsden and Littler (2000) argue that as the technique is grounded in the Theory of Personal Construct Psychology, the repertory grid method should be applied and analysed so as to be congruent with the interpretive paradigm, several academics including Fransella and Bannister (1977) and Marsden and Littler (2000) themselves have nonetheless also shed light on how in reality rather than advance the interpretive approach, repertory grids have increasingly been predominantly analysed by techniques involving a more positivist approach. Indeed, even though Kelly (1955) devised a nonparametric procedure for grid analysis (Coshall, 1991), the use of sophisticated techniques (Fransella and Bannister, 1977) has increasingly led to "a positivist or hard science approach" (Coshall, 1991:354) to the analysis of repertory grids.

Kelly's nonparametric method is favourably applied within tourism research (Potter and Coshall, 1988; Coshall, 2000) while parametric methods are increasingly favoured by researchers across various fields of management (Easterby-Smith et al., 1996). Although it could be assumed that the two distinctive analytical approaches would lead to different findings, Coshall (2000:88) advocates that despite the binary nature of the data gathered from repertory grids, research has shown that the more conventional and widely used parametric form of factor analysis "almost always" produce the same factors as does Kelly's nonparametric approach. Accordingly, the parametric approach to analysing repertory grids has been applied within this research study.

Although Marsden and Littler (2000:826) maintain that "reductionistic quantitative techniques may appear to sit uneasily alongside the assumptions of the interpretive paradigm", they however agree that these techniques are "nevertheless very useful for helping to organise the information collected from participants in the personal interviews". They also commend the capability of such techniques for reducing the number of constructs gathered in repertory interviews. This latter property strongly influenced the selection of a quantitative technique for the analysis of the repertory grids in this research study. Indeed, not only is one of the objectives of this part of the analysis to refine the data gathered during the repertory interviews, but perhaps even more importantly another primordial objective is to summarise the constructs in order to uncover patterns of perceptions.

According to Easterby-Smith et al. (1996:3), repertory grids not only provide "an excellent means of uncovering and representing" how an individual understands situations, but even more importantly for the epistemological alignment of this research study, they offer "a powerful way of quantifying people's attitudes, feeling and perceptions". Thus, the quantification of the data collated in the repertory grids is not considered to have been in contradiction with the strengths of the repertory grid method as a qualitative research instrument. Building upon Easterby-Smith et al.'s (1996:3) argument that as a technique, repertory grids focus "on how a single individual understands his or her own world in a particular context", Coshall (2000) further explicates that while it is accepted that repertory grids contain the constructs of an individual, the latter can be further grouped into a series of construct subsystems. Accordingly, "repertory grids are tailor-made for examination via factor analysis" (Coshall, 2000:88; Caldwell and Coshall, 2002:386). The quantitative technique of factor analysis has been deemed particularly aligned to the fifth objective the research study, which is to add to knowledge by uncovering a list of CRM dimensions, which are specific to the hotel industry. Moreover, the findings engendered through the processes of factor analysis are expected to enable the consolidation of the data gathered through the repertory interviews with the findings of the first stage of the primary research and the main objectives of this research study.

THE FUNDAMENTAL UNDERPINNINGS OF FACTOR ANALYSIS

In exploratory research studies, the aim of the primary research is to explore a specific field with the intention to discover the main constructs or dimensions (Kline, 1994). When a group of variables has for some reason or another something in common, a factor may be considered to exist (Child, 1970). Factor analysis is composed of a number of statistical techniques, which seek to simplify complex data sets (Kline, 1994). As a method of analysis, the set of procedures associated with factor analysis are usually aimed at two distinct objectives: the reduction of data and the detection of structure within data. The main objective of the data reduction sought by this part of the research study is to remove any redundant variables from the data file and to subsequently summarise the data. Accordingly, the entire data set, which the original variables represent, can be refined into a smaller number of components. The latter can arguably be considered to be part of construct subsystems.

When a large number of variables exist within marketing research, as is the case of this research study, most of these variables may in fact be correlated (Malhotra and Birks, 2000). For example, Coshall (2006) argues that in a survey relating to consumers of products most variables may in actual fact be expressed as a function of just three factors: product quality, product utility and product price. A factor according to Kline (1994:5) is essentially a "dimension or construct, which is a condensed statement of the relationships between a set of variables". Even though Kelly (1955) argues that some factors may indeed be idiosyncratic or individualistic, many are in fact common to other individuals too. Another objective of factor analysis within this part of the research study is to identify the common and the idiosyncratic or individual factors.

One of the two major postulations of factor analysis is to reduce the number of variables to a more manageable level in order to facilitate further analysis. Thus, the essence of factor analysis ultimately lies in the unravelling of correlations between variables. Accordingly, constructs identified during the repertory interviews have been refined so as to be represented in terms of only a few principal factors, which are "meaningful, simple and interpretable" (Coshall, 2006:311). Even though initial variables may be highly correlated, the reduced components or factors are expected to be uncorrelated. As according to Caldwell and Coshall (2002), there are typically few links between construct subsystems, it is thus expected that the summarised factors identified through factor analysis will represent the construct subsystem through which employees and guests view the concept of CRM within the hotel industry. Ultimately, it is expected that as described in Chapter Four, a miniature system will also be uncovered.

Factor Analyses are often used in "exploratory data analysis" (SPSS, 1999:317). As the second phase of the fieldwork is intended to be exploratory rather than merely descriptive, factor analysis was deemed an ideal analytical tool. The dynamics of analysis of variance, multiple regression and discriminant analysis stipulate that one variable, the criterion variable, is regarded as the dependent variable while the others are considered to be independent, hence referred to as predictor variables. In contrast, within factor analysis no such distinction is made among variables. As a matter of fact, factor analysis is referred to by Malhotra and Birks (2000:578) as "an independence technique", a multivariable statistical technique, "in that an entire set of interdependent relationships is examined". This point represented an added strength of factor analysis in its alignment to this research study.

THE PROCESS OF APPLYING SPSS FACTOR ANALYSIS

As discussed in Chapter Four, the fundamental theoretical properties of the repertory grid approach were not only deemed adequate for the type of data sought from the second phase of the fieldwork, but as a method it was intended to curtail the limitations of the first phase of the fieldwork. Factor analysis was not only considered appropriate to analyse the data collected during the repertory interviews, but even more importantly, it was intended to enable the achievement of one of the main objectives of this research study, which as discussed in the Introduction is to offer a miniature system or a refined list of CRM dimensions specifically relevant to the hotel industry.

Having determined that the data gathered in the repertory grids and the bivariate normal distribution for each pair of variables is adequate for factor analysis, and indeed that all observations were in fact independent, the appropriateness of factor analysis was assessed for each of the one hundred repertory grids compiled. As factor analysis is based on the correlations between variables, if the correlations between the variables are small, factor analysis cannot be deemed appropriate. Alternatively, when variables highly correlate with each other, it is assumed that they would also highly correlate with the same factor or factors. The appropriateness of factor analysis for each repertory grid was tested by means of the Bartlett's test of sphericity and the Kaiser-Meyer-Olkin test (KMO). As displayed in the table below, the SPSS Factor Analysis procedure Analyze, Data Reduction, Factor enabled the conduction of the Barlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) simultaneously.

Barlett's test of sphericity is used to test the null hypothesis that the variables are uncorrelated; that is to say that an identity matrix exists. It has an associated statistic that is closely distributed as chi-square. The test statistic for sphericity is based on a chi-square transformation of the determinant of the correlation matrix. When the significance associated with Bartlett's statistic is less than 0.05, then the null hypothesis is rejected and factor analysis continued. When the level of significance is greater than 0.05, the null hypothesis is not rejected and the use of factor analysis as a technique for statistical analysis for such cases becomes questionable.

The Kaiser-Meyer-Olkin (KMO) measures the adequacy of the sampling. Small values of KMO indicate that the correlations between pairs of variables cannot be explained by other variables and that factor analysis may not be appropriate. As a general rule, if the KMO statistic is greater than or equal to 0.6, then factor analysis can be continued. The table below displays the section of the SPSS output for the sample case. Based on the results of these two tests of appropriateness, a number of cases were eliminated from the study for further analysis. Accordingly, the repertory grids of only 81 out of the 100 interviews were retained for further analysis *(see Appendix Y)*.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.717
Bartlett's Test of Sphericity	Approx. Chi-Square	38.828
	Df	15
	Sig.	.001

Having ascertained that factor analysis was theoretically aligned as a technique to the objectives of this part of the research study, the most adequate method of extraction was selected to analyse the data collected in the repertory grids. The Principal Components Analysis factor extraction method was selected not only due to its popularity in research studies within the hotel industry (Akan, 1995; Jeffrey and Barden, 2000; Juwaheer, 2004) and in the analysis of studies where repertory grids are used (Caldwell and Coshall, 2002; Hankinson, 2004, 2005), but also because its theoretical properties were deemed particularly aligned to the objectives set for this part of the research study. During the process of data reduction, the principal components method of extraction primordially seeks to find a linear combination of variables that accounts for as much variation in the original variables as possible. A component is thereby identified. Subsequently, the process seeks another component that accounts for as much of the remaining variation as possible. This process is continued until there are as many components as original variables. Accordingly, the first component always has maximum variance while successive components explain progressively smaller portions of the variance. Usually, a few components will account for most of the variation. These components can thereafter be used to replace the original variables. As all the components are unquestionably uncorrelated with each other, this extraction method is particularly relevant when the reduction of the number of variables in the data file is sought and to obtain the initial factor solution. Factor analysis was indeed being used in the analysis of the individual repertory grids with the specific intention to focus the data contained in all the repertory grids to a manageable subset of the predictors.

The output created by SPSS as a result of the range of specifications requested is divided in a range of distinct sections. Communalities, shown in the following table, indicate the amount of variance in each variable that is accounted for. Initial communalities, represented in the middle column, are estimates of the variance in each variable accounted for by all components or factors. For the principal components extraction method, these values are always equal to 1.0 for correlation analyses. The values indicated in the extraction communalities in the far right column are estimates of the variance in each variable accounted for by the components. While the high communalities indicate that the extracted components represent the variables well, the lower range may testify to the contrary. SPSS recommends that if any of the communalities is very low in a principal components extraction, another component may need to be extracted. As displayed in the table below, the communalities for this particular repertory grid are spread. As the lowest communality is equal to .749, this communality has not been deemed to be particularly low. Hence, all the extracted components have been maintained.

Communalities

	Initial	Extraction
ManagementOperations.MoreProactive	1.000	.770
LinkedToRecognition	1.000	.871
PerceptionOfValueForMoney.LinkedTo CustomerLoyalty	1.000	.749
PersonalService.LinkedToCustomer Loyalty	1.000	.814
LinkedToManagementStyles	1.000	.932
LinkedToCustomerPerceptionsAbout ProductServices.RevenueOriented	1.000	.773

Extraction Method: Principal Component Analysis.

Although it is possible to use SPSS to compute as many principal components as there are variables, should this be done, no simple observation would have been achievable. Therefore, in order to abridge the information contained within the original variables, a smaller number of factors were extracted from these variables. Several procedures may be followed to determine the adequate number of factors for a given analysis. According to Child (1970:33),

> the techniques for extracting the factors generally endeavour to take out as much common variance as possible in the first factor. Subsequent factors are, in turn, intended to account for the maximum amount of the remaining variance until, hopefully, no common variance remains.

As it was intended that the researcher would not impose any unnecessary parameter on the analysis, a priori determination was forthrightly dismissed as an option to identify the number of factors. Instead the factors were determined based on a combination of methods, namely: eigenvalues, percentage of variance and scree plot.

The following table "Total Variance Explained" displays the variance explained by the initial solution, extracted components, and rotated components. "Initial Eigenvalues" are represented as the first section of the output box. The first column, the "Total column" displays the eigenvalue. An eigenvalue is said to represent the amount of variance associated with a factor. When following the process of determination by eigenvalues, all the factors whose eigenvalues exceed a specified value can be retained or a number of factors can be retained. For the initial solution, there are as many components as variables. In a correlation analysis, the sum of the eigenvalues equals the number of components. For this research study, it was requested that only factors with eigenvalues greater than 1.0 be extracted and retained for factor analysis. Accordingly, only the two principal factors with a variance of more than 1.0 form the extracted solution for the test grid. This is displayed in the section "Extraction Sums of Squared Loadings". It should be noted that if the number of original variables is less than 20, then this approach is said to lead to a limited number of factors. Although this was noted while the repertory grids were being compiled, this was not deemed to be of concern or impede the suitability of factor analysis to this research study. The middle column of that section, the "% of variance" column gives the ratio, expressed as a percentage, of the variance accounted for by each component to the total variance in all of the variables. The "Cumulative %" column for initial eigenvalues gives the percentage of variance accounted for by the extracted components. For example, the cumulative percentage for the second component is the sum of the percentage of variance for the first and second components; accordingly for this grid, is equal to 81.813 (54.748 for factor 1 + 27.065 for factor 2).

Total Variance Explained

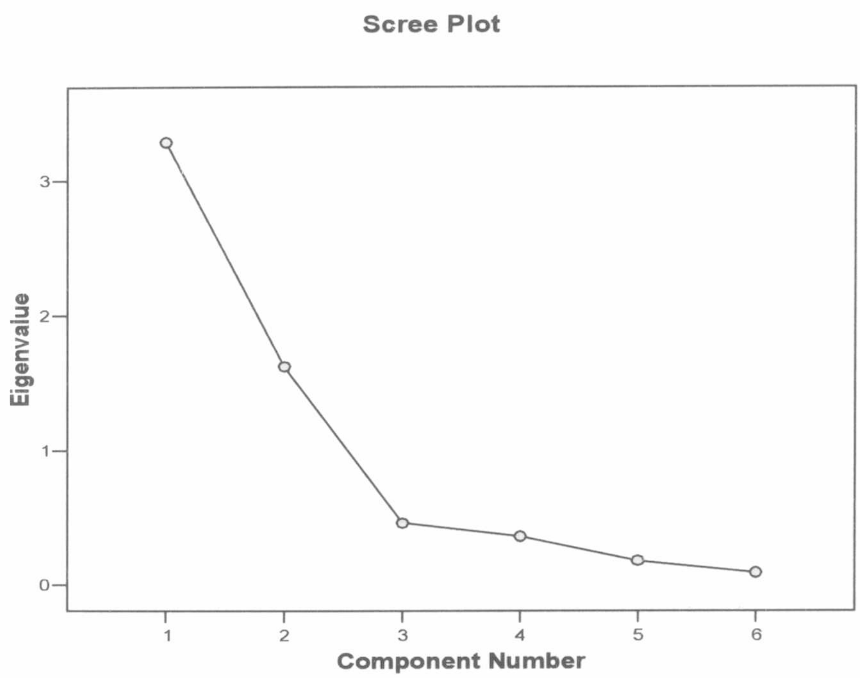
Com-po-nent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.285	54.748	54.748	3.285	54.748	54.748	3.154	52.559	52.559
2	1.624	27.065	81.813	1.624	27.065	81.813	1.755	29.254	81.813
3	.460	7.669	89.482						
4	.360	6.006	95.488						
5	.180	2.995	98.483						
6	.091	1.517	100.000						

Extraction Method: Principal Component Analysis.

It was concluded that the complexity of the data set included in the repertory grid of that particular respondent could be reduced to only these two components. Indeed, the number of factors to be extracted in an analysis can be determined by the percentage of variance. As component 1 and component 2 are portrayed as explaining nearly 82% of the variability in the original six variables (81.813 cumulative %), this reduction implies an 18% loss of information. Although the level of variance deemed satisfactory will be dependent on the research problem (Malhotra and Birks, 2000), it is however generally recommended that the cumulative percentage of variance extracted accounts for at least 60 percent of the variance. Accordingly, as the two components explain nearly 88% of the variability in the original six variables, the factor analysis is deemed valid.

The third section on the far right of the output box "Total Variance Explained" represents "The Rotation Sums of Squared Loadings". Within "The Rotation Sums of Squared Loadings", the cumulative percentage of variation explained by the extracted components is maintained. However, the variation is said to be spread more evenly over the reduced components. In this case, although a small variation is indicated, as there are only two components, this spread is not forthrightly evident. Nonetheless, the fundamental principles of SPSS factor analysis advocate that large changes in individual totals suggest that the rotated component matrix will be easier to interpret than the unrotated matrix. Accordingly, as discussed later in this chapter, all the component matrices have been rotated.

The scree plot is another method, which can be used to help determine the optimal number of components to be maintained from factor analysis. Scree plots display eigenvalues against the number of factors. Typically the plot shows a distinct break between the steep slope of the large factors and the gradual trailing of the rest. It is in fact this gradual trailing off that is known as the scree. The plot usually displays a distinctive break between the sleep slope of factors, which have larger eigenvalues and the trail off factors with smaller eigenvalues. The point on the slope, at which the scree starts, designates the true number of factors. In general terms, the number of factors determined by the scree plot tends to be one or two higher than the number determined by the eigenvalues. The usual trend is to extract the components, which feature on the steep slope. Components displayed on the shallow slope are said to hardly contribute to the solution. Within the analysis of the repertory grid example, a relatively big drop occurs between the second and third components. Thus, the retaining of the first two components is a relatively easy selection criterion.



The component matrix not only identifies the extracted components but also depicts the factor loadings of each of the original variables. As reviewed by Kline (1994), a factor is a linear combination of variables or in other words a construct, which is operationally defined by its factor loadings. Thus any combination can constitute a factor. The latter are the correlations of a specific variable with a given factor. Indeed simply put, factor loadings represent the correlations of the original variables with the extracted factors. The component matrix table displays relevant information after the desired number of factors is extracted. In principal components analysis, the factor statistics are always the same for the initial statistics and final statistics but the communalities for the variables are different. This is due to the fact that all the variances associated with the variables are not explained unless all the factors are kept. Hence, in cases where only some factors are retained, communalities will be different. In spite of the merit of the component matrix, the general consensus is that the initial factor extraction does not give implicit interpretable factors. According to Child (1970:51), "some direct solutions are not sufficient". Consequently, the Factor Pattern Matrix or the rotated component matrix has been used to help determine what the components truly represent (SPSS Version 10 Tutorial, 1999).

Component Matrix(a)

	Component	
	1	2
ManagementOperations.MoreProactive	.877	.035
LinkedToRecognition	.806	.471
PerceptionOfValueForMoney.LinkedToCustomerLoyalty	-.362	.786
PersonalService.LinkedToCustomerLoyalty	.890	-.144
LinkedToManagementStyles	.937	.232
LinkedToCustomerPerceptionsAboutProductServices. RevenueOriented	-.255	.842

Extraction Method: Principal Component Analysis. a 2 components extracted.

One of the purposes of rotation is to obtain factors that can be named and interpreted. Academics including Lawley and Maxwell (1971), Kline (1994) and Caldwell and Coshall (2002) argue that interpretation of the solution afforded by factor analysis can often be enhanced by a rotation of the factors. Rotation makes the large loadings larger and the small loadings smaller. Thereby, each variable is associated with a minimal number of factors. It is indeed hoped that "variables that load strongly together on a particular factor will indicate a clear meaning with respect to the subject area at hand" (SPSS, 1999:321). As shown in the following table *(the same table features on page 262)*, the rotation maintains the cumulative percentage of variation explained by the extracted components. But, after rotation, the variation is spread more evenly over the components. The middle section "Extraction Sums of Squared Loadings" refers to the unrotated solution while the far right section "Rotation Sums of Squared Loadings" refers to the rotated solution. The principles of factor analysis suggest that the changes in individual totals within the rotated component matrix are easier to interpret than within an unrotated matrix.

Total Variance Explained

Com-po-nent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.285	54.748	54.748	3.285	54.748	54.748	3.154	52.559	52.559
2	1.624	27.065	81.813	1.624	27.065	81.813	1.755	29.254	81.813
3	.460	7.669	89.482						
4	.360	6.006	95.488						
5	.180	2.995	98.483						
6	.091	1.517	100.000						

Extraction Method: Principal Component Analysis.

Several rotation methods are available in SPSS. These can be divided into two groups: orthogonal rotations and oblique rotations. For orthogonal rotations, the resulting factors (or components) are uncorrelated. For oblique rotations, the resulting factors are correlated with one another. The Varimax Method, an orthogonal rotation method, whose main purpose is the minimization of the number of variables that have high loadings on each factor, was thus selected (SPSS, 1999). Within the Varimax method,

> the factors are rotated in such a way that the new loadings tend to be either relatively large or relatively small in absolute magnitude compared with the original ones (Lawley and Maxwell, 1971: 72).

The result of the runs requested by a principal components extraction method and a Varimax rotation led to the uncovering of correlations among the variables that are strong enough for a useful factor analysis. However, it is indeed plausible that these runs may indicate variables that do not load strongly on any factor and even identify cases that are outliers. Although it was initially considered that these two later cases would be eliminated, on reflection, it was decided that these would be maintained. Accordingly, all rotated components identified by the factor analysis of the various repertory grids have been maintained. The rotated component matrix helps to identify what the extracted components actually determine. Additionally, this matrix helps to clearly indicate with which dimension or dimensions the various components are most highly correlated.

As indicated in the following table, by using factor analysis with a principal components extraction and a Varimax rotation, the size of the data acquired in the repertory grid example has been reduced from six variables to two components. Although, the interpretation of the factors is dependent upon the relationships defined in the rotated component matrix, the real benefits of reducing the data file and using uncorrelated predictors lie in the labelling of the extracted and rotated factors. The meaning and interpretation of factors is by all means derived from their loadings. Accordingly, each of the factors is interpreted in terms of the content of the factor loadings of the variables, which have been loaded on them. The content of the variables associated with the highest loadings is a key component in the labelling of the factors. However, the steps involved are much more complex than just naming a factor on the face value of the factor loadings. Indeed, the findings of factor analysis are further enhanced through the correlation of the factors with the original variables.

Rotated Component Matrix(a)

	Component	
	1	2
ManagementOperations.MoreProactive	.851	-.213
LinkedToRecognition	.906	.226
PerceptionOfValueForMoney.LinkedToCustomerLoyalty	-.126	.856
PersonalService.LinkedToCustomerLoyalty	.814	-.389
LinkedToManagementStyles	.964	-.041
LinkedToCustomerPerceptionsAboutProductServices.RevenueOriented	-.008	.879

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 3 iterations.

For the test example as displayed in the table below, the first component is on face value highly correlated in descending order with four variables. These are: "linked to management style", "linked to recognition", "management operations. More proactive" and "Personal service. Linked to customer loyalty". The second component is instead most highly correlated with "Perception of value for money and linked to customer loyalty" and "Linked to customer perceptions about product and services. Revenue oriented". "Linked to management style" could arguably be considered to be the best representative of factor 1 not only because it has the highest loading for component 1, with a value of .964, but because it is also least correlated with the other component 2 with a value of only -.041. Thus, the size of the factor loadings of variables for one component against the loadings for the second component can engender comparisons in terms of how aligned specific variables are to individual extracted factors. The labelling of the factors is considered a crucial step in the summary of the data in factor analysis. This as a matter of fact is the objective of using factor analysis within this research study.

The labelling of the factors identified through the set of procedures encompassed by factor analysis was condensed until the level of refining was deemed adequate for data reduction in factor analysis. Accordingly, with regard to the example grid, factor 1 was refined from "management styles and operations are directly linked to the recognition of customer" to "management, operations and recognition of customers" to "management". Factor 2 was refined from "perceptions about product and services on offer and value for money is linked to customer loyalty" to "perceptions about products and services are linked to customer loyalty" to "customer perceptions". Although such forthright condensing of the factors could arguably give rise to reliability and validity issues, as discussed in Chapter Four, the parsimonious labelling of factors is a crucial step within the conduction of factor analysis.

The labelling of factors is a vital step in the conduction of factor analysis. However in order to be valid, these meanings must be externally validated (Kline, 1994). According to Child (1970:7):

> it is common practice to validate the factors against external criteria which have nothing to do with factorial methods.

Accordingly, within the premise of this research study, the meanings of the data gathered during the repertory interviews have been validated not only with relevance to the dimensions discussed during the literature review but through further statistical analysis.

Although it was initially intended that crosstabulations and Pearson chi square would be used to test hypotheses of associations and examine relationships, due to the small number of counts in some cells, this technique could not be applied for the analysis of the repertory interviews. Nonetheless, albeit less technically savvy, the demographic and usage features of guests and employees have been considered. As discussed in depth in the following chapter, Chapter Eight, the distribution of proportion and the confidence intervals of responses have also been examined.

SYNOPTIC OVERVIEW

This second phase of the fieldwork is intended to complement as well as consolidate the findings of the first phase of the fieldwork discussed in Chapters Five and Six. In this part of the primary research, the constructs of the respondents were gathered by interviewing guests and hotel employees through the Repertory Grid Method, reviewed in Chapter Four. The personal constructs offered by the respondents during the interviews were refined in order to determine the factors, around which the concept and application of CRM within the hotel industry revolve in contemporary terms.

Factor Analysis can be used for data reduction or structure detection. The purpose of data reduction is to remove redundant or highly correlated variables from the data file by replacing the entire data file with a smaller number of uncorrelated variables. The purpose of structure detection is to examine the underlying or latent relationships between the variables. As it can help identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables, factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of variables. For this part of the research study, factor analysis was specifically used to summarise the data collated during the repertory interviews. Subsequently, as discussed in the following Chapter Eight, a range of common factors and idiosyncratic factors were uncovered *(see Appendix Z)*. This is intended to help identify the list of CRM dimensions, which are specifically relevant to the hotel industry in contemporary times.

The factor analysis model specifies that variables are represented by common factors and by unique or idiosyncratic factors. In contrast to the former, the latter do not overlap between observed variables. The computed estimates offered by factor analysis are based on the assumption that all unique factors are uncorrelated with each other and with the common factors. Indeed, there are typically few links between one construct subsystem and another.

Although it is acknowledged that it cannot be certified that the options selected represent the best combination for factor analysis, the principal components method of extraction with a Varimax rotation method was selected for the analysis of the repertory grids as their properties were considered aligned to the objectives of this part of the research study. The application of factor analysis for the analysis of repertory grids in several current research studies also influenced this choice of methods.

Within marketing research, factor analysis has been used in market segmentation to identifying the underlying variables along which to group the customers. Thus, factor analysis can be used to identify the attributes, which influence consumer perceptions. Within the premise of this research study, factor analysis was used to represent the data collated during the repertory interviews quantitatively and to summarise the information in terms of factors. However, ultimately the intention of this research study does not reside in the identification of components but in the intention to identify influential factors. Accordingly, as discussed in depth in the following chapter, the second stage of this part of analysis involved grouping the respondents according to their favoured common factor and on the relative emphasis they place on specific common factors. Indeed, factor analysis in combination with further statistical analysis, in particular the identification of confidence intervals, was used to identify which factors influence which type of respondents. Accordingly, as reviewed in the Conclusion, the proposal of a list of CRM dimensions specifically tailored to the hotel industry was achieved.

CHAPTER EIGHT

INTRODUCTION

As discussed in Chapter Four, the repertory interviews have been conducted in order to determine which factors guests and employees consider when thinking about CRM within the hotel industry and in order to curtail the limitations encountered during the first phase of the fieldwork. Accordingly, this method was used in order to gather the thoughts of respondents in their own terms and with minimal bias and imposition from the researcher.

Although as discussed in Chapters Four and Seven, the main objective of the analysis of the second phase of the primary research is to identify common factors, in view of highlighting which dimensions of CRM hotel companies should focus on. Accordingly, this chapter offers a list of CRM dimensions specifically relevant to the hotel industry. It was also deemed pertinent to uncover differential patterns of thoughts. This was intended to identify which segments of the population, hotel companies should precisely target specific dimensions of their CRM initiatives to. Subsequently, the analysis of the second phase of the fieldwork has been conducted in two distinct stages. The first stage, outlined in Chapter Seven, involved the refining and summary of the data gathered in the repertory grids through various techniques associated with factor analysis in order to identify common factors and idiosyncratic factors. The second stage, whose findings are outlined in this chapter, reviews the common factors identified as Factor 1 in order to attempt to uncover whether there is an association between the demographic features of guests and employees and their dominant factor.

One of the research objectives of this thesis is to offer a list of CRM dimensions which specific to the dynamics of the hotel industry. However, it has also been deemed relevant to examine the eleven common factors which have been identified from the 81 Factor 1 identified. As such, this chapter is intended to consolidate the status of this thesis as an example of applied research. Additionally, the applicability of these factors alongside the traditional dimensions and operations of the hotel industry is expected to be strengthened.

In Chapter Six, the findings of the first phase of the fieldwork were discussed in line with the academic contentions reviewed during the critique of the literature. Although the findings of the second phase of the fieldwork are undoubtedly also strongly aligned to the themes discussed during the secondary research, it was not considered relevant to incorporate academic references in this chapter. Instead, as this chapter was intended to supplement the findings of the first phase of the fieldwork, the ways in which the findings of this phase of the fieldwork complement the findings of phase one of the primary research have instead been considered.

STAGE ONE OF THE ANALYSES OF THE REPERTORY GRIDS:

As discussed in Chapter Four, Kelly's (1955) original binary format was deemed more valid and reliable than more contemporary versions. The binary format followed during the repertory interviews however meant that each of the 100 resulting repertory grids had to be analysed individually. This was however not considered to have impeded the reliability or the validity of the analysis. As reviewed in the previous chapter, Chapter Seven, a range of techniques associated with SPSS factor analysis were applied to the masterfile of each grid in order to summarise the data collated in the repertory grids. As explained in Chapter Seven, as a result of running the Bartlett's test of sphericity and the KMO test, 19 cases were forthrightly eliminated from the sample for further factor analysis. Subsequently, the factors of the 81 cases left were labelled and parsimoniously refined. From the 81 repertory grids, which were found adequate for factor analysis, 134 factors were reported. Theses are distributed as follows: 81 factors named as Factor 1, 39 factors as Factor 2, 13 factors as Factor 3 and 1 factor as Factor 4 *(see Appendix Y)*. When these 134 factors were examined, 18 common factors and 12 idiosyncratic factors were identified *(see Appendix Z)*.

STAGE TWO OF THE ANALYSIS OF THE REPERTORY GRIDS:

Although the idiosyncratic factors are noted as it is indeed acknowledged that respondents are individuals in their own right, it is however the 18 common factors, which are of relevance to this research study. The number of times, which each factor was identified was deemed pertinent as this indicates their popularity *(see Appendix Z)*. Once they were counted, the common factors were in descending order of popularity as follows: customer satisfaction, customer focus, marketing, feedback process, customer service, customer retention, offerings, customer expectations, relationships, management, customer perceptions, happiness of employees and guests, standards of hotel and quality, added value, marketing and delivering, individual experience, price and segmentation.

Although the number of times that a factor is mentioned by all means illustrates how popular a factor is with the respondents, the order in which a common factor is mentioned is considered even more meaningful *(see Appendix Y)*. Indeed, this order indicates that the respondents allocate different degrees of importance to their identified factors. Hence, the factor stated as a respondent's Factor 1 is more significant to that respondent than the Factor 2. The latter is more important to that respondent than his or her Factor 3. As such, for the case used as an example in Chapter Seven the Factor 1 "management" is by all means more important to that respondent than the Factor 2 "customer perceptions". Consequently, it was not deemed valid to analyse all the 134 factors identified as one set of data. Instead, it was considered both valid and reliable to analyse the set of factors identified as Factor 1 in isolation as these represent the factors, which the interviewees' consider as the most important.

As only the common factors were deemed of interest, only the factors that were identified by more than one of the 81 respondents as Factor 1 were considered *(see Appendix AA)*. In descending order of popularity, these are: customer satisfaction, customer focus, feedback process, marketing, customer retention, relationships, customer service, management, customer expectations, segmentation and offerings. Accordingly, the second part of the analysis of the repertory grids focuses on these 11 dimensions.

The examination of the frequency of the common factors within various demographic segments was deemed pertinent. The frequencies within the various categories of the sample population allowed a percentage of observed response to be determined. However, in order to remove subjectivity and to limit the criticisms associated with the fact that this sample, as all samples tend to be, is not undoubtedly not erroneous, the identification of a confidence interval was sought. The testing of the 95% confidence interval for the various population proportions was thus conducted in line with the common factor. The confidence interval was also identified in order to enable inferences about the general population as doing so based merely on the number of adequate responses, 81 interviews, was not deemed valid. The establishment of confidence intervals has also been deemed relevant in order to assess whether the precise targeting of the general population in line with the various categories against which a common factor is being assessed is recommendable. It is indeed recommended that hotel companies take into consideration the confidence intervals of the proportion of the general population that are estimated to consider a common factor to be of most importance when they evaluate their processes and engagement in CRM *(see Appendices AB to AL)*. Subsequently, it is argued that precise targeting will be greatly enhanced.

It was suspected that as the samples are not homogeneous and people are indeed not all similar that they would have different perceptions and thought patterns. Thus, it was deemed pertinent to uncover whether there is an association between the consideration of a first factor and the characteristics of the respondents. Indeed, even if proportions of respondents are seen to think differently unless these groups or segments are meaningfully interpreted, such information will be of little interest to the hotel companies and to the adequate promotion of CRM within the industry.

It was initially intended to test hypotheses of associations between the variable, Factor 1, and demographic features by means of crosstabulations and Pearson chi square. However, as discussed in Chapter Seven, this process was impeded by the low counts in some cells. Consequently, an alternative technique used specifically to test the differences in proportions between two sets of independent populations was instead applied. Accordingly, when the significance level was reported to be less than 0.025, the null hypothesis that the proportions are the same was rejected in favour of the alternative hypothesis, which stipulates that the proportions of respondents that think that a factor is most important to CRM are not the same.

In order to keep the arguments focused, every process conducted for the determination of the confidence intervals has not been detailed within this chapter. However these have been summarised in appendices AB to AL. Notwithstanding, in order to give an overview of the processes that have been followed, these steps have been outlined for the determination of confidence intervals for the proportions of guests and employees who consider customer satisfaction to be the most important factor. These steps have also been included to strengthen the position of this research study as an example of scientific research.

Customer Satisfaction

The identification of customer satisfaction as the most popular first factor which is considered by respondents consolidates the findings of phase one of the primary research detailed in Chapter Six that customer satisfaction is one of the crucial factors, if not the most important factor, around which hotel operations revolve. Accordingly, it is concluded that if they are to succeed in their CRM initiatives, hotel companies must focus on customer satisfaction.

Factor 1 of 8 of the 38 employees sampled was reported to be customer satisfaction. Thus, 21.05% is observed for the sample population. Upon testing of the 95% confidence interval for the population proportion, the confidence interval proportion within the population of employees is reported to be:

.0809 < Proportion of employees for whom customer satisfaction is the most prevalent factor (μ_p) < .3402

Subsequently, it is concluded that customer satisfaction is the most important factor of 8.1% to 34% of hotel employees. As 7 of the 43 guests sampled were reported to have customer satisfaction as their Factor 1, it is concluded that 5.2% to 27.3% of guests consider customer satisfaction as their most important factor *(see Appendix AB)*. The significance level for the testing of the difference between the proportion of employees and the proportion of guests is reported to be .5810. As the significance level is greater than 0.025, the null hypothesis:

H_0: Proportions of employees and guests, who think that customer satisfaction is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, although it was expected that customers would in fact have allocated more importance to customer satisfaction as the latter directly affects them, these findings instead indicate that employees and guests allocate as much importance to the role of customer satisfaction in CRM. Consequently, employees by all means appear to understand the significance of this factor to the success of CRM.

While 10.8% to 34.2% of males consider customer satisfaction to be the most important factor, between 1% and 24% of females consider this factor to be of most importance *(see Appendix AB)*. As the significance level for the testing of the difference between the proportions of males and females who consider customer satisfaction to be the most important factor is reported to be .2598, hence greater than 0.025, the null hypothesis:

H_0: Proportions of males and females, who think that customer satisfaction is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, these findings indicate that males and females allocate as much importance to the role of customer satisfaction in CRM.

Between 6.8% and 29.6% of younger respondents and 6.3% to 31.5% of older respondents consider customer satisfaction to be their most important factor. The significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider customer satisfaction to be the most important factor is reported to be .9322. As the significance level is greater than 0.025, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that customer satisfaction is the most important factor with regards to CRM, are the same

is not rejected. This finding indicates that both younger and older respondents allocate as much importance to the role of customer satisfaction in CRM.

Between 6.4% and 28.3% of single respondents and 6.8% to 33.3% of non single respondents consider customer satisfaction to be of most importance. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider customer satisfaction to be the most important factor is reported to be .7646, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that customer satisfaction is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that single and non single respondents allocate as much importance to the role of customer satisfaction in CRM.

Up to 23% of guests employed in a professional or managerial position and 3.8% to 46.2% of guests not employed in a professional or managerial position consider customer satisfaction to be the most important factor. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider customer satisfaction to be the most important factor is reported to be .2331, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that customer satisfaction is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests, regardless of their level of employment, allocate as much importance to the role of customer satisfaction in CRM. These findings arguably also indicate that income does not affect the attitude of guests about customer satisfaction.

10.7% to 52.5% of guests on leisure and up to 12.2% of guests on business consider customer satisfaction to be their most important factor. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider customer satisfaction to be the most important factor is reported to be .0156, hence less than 0.025, the null hypothesis:

H_0: Proportions of guests on leisure and on business, who think that customer satisfaction is the most important factor with regards to CRM, are the same

is rejected in favour of the alternative hypothesis:

H_1: Proportions of guests on leisure and on business, who think that customer satisfaction is the most important factor with regards to CRM, are not the same.

These findings indicate that guests on leisure and guests on business allocate different levels of importance to the role of customer satisfaction in CRM. Such findings indicate that the purpose of their visit in a hotel influences guests' frame of mind. As such their expectations as well as their satisfaction levels are bound to be affected. Although it is suspected that as guests on leisure may be more relaxed, they may indeed be more tolerant and hence be easier to please than guests on business, this could however not be examined within this research study.

2.5% to 37.5% of employees employed at management level and between 3% and 41.4% of employees employed at team level consider customer satisfaction to be their most important factor. It should be noted that for the analysis of both the first and second phase of the fieldwork, management level includes general managers, managers, assistant managers and supervisors working within the sampled hotels while team level only refers to team members without any management responsibilities. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider customer satisfaction to be the most important factor is reported to be .8668, the null hypothesis:

H_0: Proportions of employees employed at management level and employees employed at team level, who think that customer satisfaction is the most dominant factor with regards to CRM, are the same is not rejected. These findings indicate that employees, regardless of their level of employment, allocate as much importance to the role of customer satisfaction in CRM. This by all means contradicts the inclination of the researcher to believe that employees employed at management level within the hotels would allocate more importance to customer satisfaction as they would understand the repercussions which the latter can have on a hotel's success.

Customer Focus

As discussed in Chapter Six, customer focus is considered to be integral to the engagement of hotel companies in CRM. Accordingly, CRM information systems are increasingly used to help companies focus on meeting the needs of their main core customers. The identification of customer focus as the second most popular Factor 1 undoubtedly consolidates the findings of the first phase of the primary research.

While 4.2% to 27.4% of employees consider customer focus to be their most important factor, between 5.2% and 27.3% of guests consider this factor to be of most importance *(see Appendix AC)*. As the significance level for the testing of the difference between proportions of employees and guests who consider customer focus to be the most important factor is reported to be .9522, the null hypothesis:

H_0: Proportions of employees and guests, who think that customer focus is the most important factor with regards to CRM, are the same

is not rejected. Although it was expected that guests would allocate more importance than employees to customer focus, as this would by all means be much more favourable to them, these findings indicate that employees and guests allocate as much importance to the role of customer focus in CRM.

3% to 21.4% of males and 7.6% and 36.2% of females consider customer focus to be the most important factor. However, as the significance level for the testing of the difference between proportions of males and females who consider customer focus to be the most important factor is reported to be .2484, the null hypothesis:

H_0: Proportions of males and females, who think that customer focus is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that males and females allocate as much importance to the role of customer focus in CRM.

2% and 20.7% of respondents younger than 35 years old and 8.4% to 34.9% of respondents older than 35 years old consider customer focus to be the most important factor. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider customer focus to be the most important factor is reported to be .2103, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that customer focus is the most important factor with regards to CRM, are the same

is not rejected. Therefore, this finding indicates that younger respondents and older respondents allocate as much importance to the role of customer focus in CRM.

Between 3.3% and 22.8% of single respondents and 6.8% to 33.3% of non single respondents consider customer focus to be the most important factor. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider customer focus to be the most important factor is reported to be .3981, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that customer focus is the most important factor with regards to CRM, are the same

is not rejected. Thus, single respondents and non single respondents can be said to allocate as much importance to the role of customer focus in CRM.

1.5% to 28.2% of guests employed in a professional or managerial position and up to 37.9% of guests not employed in a professional or managerial position consider customer focus to be the most important factor. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider customer focus to be the most important factor is reported to be .7355, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that customer focus is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, it is advocated that all guests, regardless of their level of employment, allocate as much importance to the role of customer focus in CRM. These findings also indicate that these guests have similar opinions about the fact that the hotel companies should focus on their customers.

Up to 32.2% of guests on leisure and between 1.8% and 31.6% of guests on business consider customer focus to be the most important factor. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider customer focus to be the most important factor is reported to be .9383, the null hypothesis:

H_0: Proportions of guests on leisure and on business, who think that customer focus is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests, regardless of their purpose of visit, allocate as much importance to the role of customer focus in CRM. This finding also indicates that guests generally consider that hotel companies should focus on their needs.

Up to 30.7% of employees employed at management level and up to 33.9% employees employed at team level consider customer focus to be the most important factor. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level, who consider customer focus to be the most important factor is reported to be .8881, the null hypothesis:

H_0: Proportions of employees employed at management level and employees employed at team level, who think that customer focus is the most important factor with regards to CRM, are the same is not rejected. Accordingly, this finding indicates that employees, regardless of their level of employment, allocate as much importance to the role of customer focus in CRM. These findings by all means imply that employees at both management and team level with hotels fully understand that as discussed in Chapter Three, it is in fact the customers who still are at the centre of hotel organisations and operations.

Feedback Process

As reviewed in Chapter Six, the collection of feedback from guests about their experiences and responding to feedback from guests are regarded as inherent activities of CRM in contemporary terms. Indeed, feedback processes are expected to help hotel companies refine their CRM strategies and operations as well as enhance the precise targeting of their CRM campaigns. The identification of feedback process as the third most popular Factor 1 undoubtedly consolidates the findings of the first phase of the primary research.

Up to 7.7% of employees consider feedback process to be the most important factor. In marked contrast, between 8.8% and 33.1% of guests consider feedback process to be the most important factor *(see Appendix AD)*. As the significance level for the testing of the difference between proportions of employees and guests who consider feedback process to be the most important factor is reported to be .0125, hence less than 0.025, the null hypothesis:

H_0: Proportions of employees and guests, who think that feedback process is the most important factor with regards to CRM, are the same

is rejected in favour of the alternative hypothesis:

H_1: Proportions of employees and guests, who think that feedback process is the most important factor with regards to CRM, are not the same.

Thus, it is concluded that employees and guests allocate different levels of importance to the role of feedback process in CRM. These findings consolidate the researcher's suspicion that guests would allocate more importance to feedback as these by all means concern them directly. Indeed, it was expected that guests would value processes that seek to gather their opinions about their experiences.

Between 3% and 21.4% of males and 1% to 24% of females consider feedback process as the most important factor. As the significance level for the testing of the difference between proportions of males and females who consider feedback process to be the most important factor is reported to be .9728, the null hypothesis:

H_0: Proportions of males and females, who think that feedback process is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that males and females allocate as much importance to the role of feedback process in CRM.

Up to 10.7% of younger respondents and between 8.4% and 34.9% of older respondents consider feedback process to be the most important factor. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider feedback process to be the most important factor is reported to be .0200, hence less than 0.025, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that feedback process is the most important factor with regards to CRM, are the same

is rejected in favour of the alternative hypothesis:

H_1: Proportions of younger respondents and older respondents, who think that feedback process is the most important factor with regards to CRM, are not the same.

Subsequently, these findings indicate that younger and older respondents allocate different levels of importance to the role of feedback process in CRM.

Up to 13.7% of single respondents and 6.8% to 33.3% of non single respondents consider feedback process to be the most important factor. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider feedback process to be the most important factor is reported to be .0677, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that feedback process is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that respondents, regardless of their marital status, allocate as much importance to the role of feedback process in CRM.

Between 9.4% and 42.5% of guests employed in a professional or managerial position and up to 28.7% of guests not employed in a professional or managerial position consider feedback process to be the most important factor. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider feedback process to be the most important factor is reported to be .2955, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that feedback process is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding indicates that guests allocate as much importance to the role of feedback process in CRM.

Up to 32.2% of guests on leisure and between 7.7% and 42.3% of guests on business consider feedback process to be the most important factor. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider feedback process to be the most important factor is reported to be .4609, the null hypothesis:

H_0: Proportions of guests on leisure and on business, who think that feedback process is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests, regardless of their purpose of visit, allocate as much importance to the role of feedback processes in CRM. These findings consolidate the suspicion of the researcher that guests consider the gathering of their opinions to be important.

Up to 14.6% of employees employed at management level consider feedback process to be the most important factor. As none of the 18 sampled employees employed at team level indicated feedback process as their Factor 1, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider feedback process to be the most important factor is reported to be .3363, the null hypothesis:

> H_0: Proportions of employees employed at management level and employees employed at team level, who think that feedback is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, although based on the secondary research, it was expected that employees employed at management level would consider this factor to be most important in view of its likely significance to the maintenance of hotel standards and customer satisfaction, these findings indicate that all hotel employees, regardless of their level of employment, allocate as much importance to the role of feedback in CRM. Thus, this also implies that both employees employed at team level and employed at management appreciate the importance of this process to a hotel company's success.

Marketing

Marketing is an important business function within hotel strategies and operations. The fact that marketing is found to be the fourth most popular Factor 1 emphasises how important this function is within the hotel industry. Notwithstanding, as discussed in Chapter Three, in recent times CRM has been specifically focused upon within the hotel industry. Accordingly, processes specifically associated with CRM have been adopted by hotel companies alongside their traditional marketing processes.

Between 0.8% and 20.3% of employees and 0.6% to 18% of guests consider marketing to be the most important factor *(see Appendix AE)*. As the significance level for the testing of the difference between proportions of employees and guests who consider marketing to be the most important factor is reported to be .8538, the null hypothesis:

H_0: Proportions of employees and guests, who think that marketing is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding indicates that guests allocate as much importance to marketing as employees do.

Between 0.5% and 15.8% of males and 1% to 24% of females consider marketing to be the most important factor. As the significance level for the testing of the difference between proportions of males and females who consider marketing to be the most important factor is reported to be .5225, the null hypothesis:

H_0: Proportions of males and females, who think that marketing is the most important factor with regards to CRM, are the same,

is not rejected. Accordingly, this finding indicates that males and females allocate as much importance to the role of marketing in CRM.

Between 3.5% and 23.8% of respondents younger than 35 years old and up to 12.7% of older respondents consider marketing to be the most important factor. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider marketing to be the most important factor is reported to be .2161, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that marketing is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that younger and older respondents allocate as much importance to the role of marketing in CRM.

Between 0.6% and 16.8% of single respondents and 0.9% to 22% of non single respondents consider marketing to be the most important factor. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider marketing to be the most important factor is reported to be .6830, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that marketing is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that single and non single respondents allocate as much importance to the role of marketing in CRM.

Up to 23% of guests employed in a professional or managerial position and up to 18.1% of guests not employed in a professional or managerial position consider marketing to be the most important factor. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider marketing to be the most important factor is reported to be .5958, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that marketing is the most important factor with regards to CRM, are the same

is not rejected. Therefore, this finding indicates that guests, regardless of their level of employment, allocate as much importance to the role of marketing in CRM.

Up to 15.3% of guests on leisure and up to 25.7% of guests on business consider marketing to be the most important factor. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider marketing to be the most important factor is reported to be .4172, the null hypothesis:

H_0: Proportions of guests on leisure and on business, who think that marketing is the most important factor with regards to CRM, are the same,

is not rejected. Although it was expected that guests on leisure would allocate more importance marketing in view of the fact that guests on business tend to base their choice of hotels on their business needs rather than on the special offerings of the hotels, these findings indicate that guests, regardless of their purpose of visit, allocate as much importance to the role of marketing in CRM.

Up to 23.2% of employees employed at management level and up to 25.6% of employees employed at team level consider marketing to be the most important factor. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider marketing to be the most important factor is reported to be .9113, the null hypothesis:

> H_0: Proportions of employees employed at management level and employees employed at team level, who think that marketing is the most important factor with regards to CRM, are the same

is not rejected. It was expected that employees employed at management level would allocate more importance to marketing while employees employed at team level would allocate more importance to customer service and hotel facilities. However, these findings provide evidence that employees employed at management level and employees employed at team level allocate as much importance to the role of marketing in CRM.

Customer retention

As discussed in Chapter Six, customer retention is considered to be an integral objective of CRM. Accordingly, while CRM is used in attempts to increase customer loyalty by means of customer loyalty and recognition schemes, benefits and differentiated hotel facilities and services, CRM information systems are also used to help companies focus on meeting the needs of their main core customers in order to enhance customer retention. The identification of customer retention as the fifth most popular Factor 1 by all means consolidates the findings of the first phase of the primary research.

While up to 12.4% employees consider customer retention to be the most important factor, up to 14.6% of guests consider this factor of most importance *(see Appendix AF)*. As the significance level for the testing of the difference between proportions of employees and guests who consider customer retention to be the most important factor is reported to be .7491, the null hypothesis:

H_0: Proportions of employees and guests, who think that customer retention is the most important factor with regards to CRM, are the same

is not rejected. In view of the fact that in contemporary terms most CRM initiatives within the hotel industry tends to revolve around rewarding customers for their ongoing patronage, it was expected more guests would allocate most importance to customer retention. However, these findings indicate that employees and guests allocate as much importance to the role of customer retention in CRM.

Up 12.8% of males and up to 14.6% of females consider customer retention to be the most important factor. As the significance level for the testing of the difference between proportions of males and females who consider customer retention to be the most important factor is reported to be .9814, the null hypothesis:

H_0: Proportions of males and females, who think that customer retention is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that males and females allocate as much importance to the role of customer retention in CRM.

Up to 10.7% of younger respondents and up to 16.9% of older respondents consider customer retention to be the most important factor. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider customer retention to be the most important factor is reported to be .5069, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that customer retention is the most important factor with regards to CRM, are the same

is not rejected. Subsequently, this finding indicates that younger and older respondents allocate as much importance to the role of customer retention in CRM.

Up to 13.7% of single respondents and up to 13.4% of non single respondents consider customer retention to be the most important factor. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider customer retention to be the most important factor is reported to be .8811, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that customer retention is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that single and non single respondents allocate as much importance to the role of customer retention in CRM.

Up to 23% of guests employed in a professional or managerial position consider customer retention to be the most important factor. As none of the guests not employed in a professional or managerial position was reported to have customer retention the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider customer retention to be the most important factor is reported to be .1668, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that customer retention is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests, regardless of their level of employment, allocate as much importance to the role of customer retention in CRM.

Up to 25.7% of guests on business consider customer retention to be the most important factor. As none of the 19 guests on leisure was reported to have customer retention as their first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider customer retention to be the most important factor is reported to be .1101, the null hypothesis:

H_0: Proportions of guests on leisure and on business, who think that customer retention is the most important factor with regards to CRM, are the same

is not rejected. Although it was expected that more guests on business would allocate most importance to customer retention, these findings indicate that guests on leisure and those on business allocate as much importance to the role of customer retention in CRM. Consequently, guests generally appear to appreciate the importance of customer retention within CRM.

Up to 14.6% of employees employed at management level and up to 16.1% of employees employed at team level consider customer retention to be the most important factor. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider customer retention to be the most important factor is reported to be .9390, the null hypothesis:

> H_0: Proportions of employees employed at management level and employees employed at team level, who think that customer retention is the most important factor with regards to CRM, are the same

is not rejected. It was expected that as they would have a better idea of the advantages to be reaped from customer loyalty, more employees employed at management level would consider customer retention to be of most importance. However, these findings indicate that employees employed at management level and employees employed at team level allocate as much importance to the role of customer retention in CRM.

Relationships

As discussed in Chapter Two, relationships are considered to be integral to Relationship Marketing and CRM. However, as reviewed in Chapter Six, contemporary CRM no longer only revolves around relationships between a hotel company and its customers, but also includes the relationships inside the hotel organisation and with businesses the hotel or hotel company works. Relationships are even extending to competitors too. The identification of relationships as the sixth most popular Factor 1 consolidates the findings of the first phase of the primary research and illustrates this important component of CRM.

Although relationships have been identified as a common Factor 1, it has however not been specified whether these relationships refer specifically to the ones between an organisation and its customers or whether this factor includes internal relationships too. Consequently, this distinction cannot be made for the following seven analyses. Hence, the latter refer to all relationships that a hotel company can have.

Between 0.6% to 18% of guests and up to 7.7% of employees consider relationships to be the most important factor *(see Appendix AG)*. As the significance level for the testing of the difference between proportions of employees and guests who consider relationships to be the most important factor is reported to be .2132, the null hypothesis:

H_0: Proportions of employees and guests, who think that relationships is the most important factor with regards to CRM, is the same

is not rejected. In view of the increasing demands for personalised service it was expected that more guests would allocate importance to relationships. However these findings indicate that employees and guests allocate as much importance to the role of relationships in CRM. Consequently, this finding indicates that both guests and employees appreciate the importance of relationships within CRM.

Between 0.5% and 15.8% of males and up to 9.2% of females consider relationships to be the most important factor. As the significance level for the testing of the difference between proportions of males and females who consider relationships to be the most important factor is reported to be .3570, the null hypothesis:

H_0: Proportions of males and females, who think that relationships is the most important factor with regards to CRM, are the same

is not rejected. Subsequently, this finding indicates that males and females allocate as much importance to the role of relationships in CRM.

Up to 14.3% of younger respondents and up to 12.7% of older respondents consider relationships to be the most important factor. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider relationships to be the most important factor is reported to be .7924, the null hypothesis:

> H_0: Proportions of younger respondents and older respondents, who think that relationships is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that younger and older allocate as much importance to the role of relationships in CRM.

Up to 10.2% of single respondents and up to 17.9% of non single respondents consider relationships to be the most important factor. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider relationships to be the most important factor is reported to be .4340, the null hypothesis:

> H_0: Proportions of single respondents and non single respondents, who think that relationships is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding indicates that single and non single respondents allocate as much importance to the role of relationships in CRM.

Up to 10.8% of guests employed in a professional or managerial position and up to 37.9% of guests not employed in a professional or managerial position consider relationships to be the most important factor. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider relationships to be the most important factor is reported to be .1006, the null hypothesis:

> H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that relationships is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that all guests, regardless of their level of employment, allocate as much importance to the role of relationships in CRM.

Up to 32.2% of guests on leisure and up to 12.2% of guests on business consider relationships to be the most important factor. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider relationships to be the most important factor is reported to be .1926, the null hypothesis:

H_0: Proportions of guests on leisure and on business, who think that relationships is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests on leisure and those on business allocate as much importance to the role of relationships in CRM. Notwithstanding, it is assumed that the type of relationships sought would vary for these two customer segments.

Up to 16.1% of employees employed at team level consider relationships to be the most important factor. As none of the 20 sampled employees employed at management level indicated relationships as their Factor 1, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider relationships to be the most important factor is reported to be .2854, the null hypothesis:

H_0: Proportions of employees employed at management level and employees employed at team level, who think that relationships is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that employees, regardless of their employment level, allocate as much importance to the role of relationships in CRM.

Customer Service

As discussed in Chapter Six, CRM has been used to enhance the basic offerings of hotel companies not only in terms of benefits but also with regards to customer service. Consequently, as the findings of the first phase of the fieldwork revealed, the service offered by employees, the provision of value in terms of service as well as the personalisation of service have all been considered to be enhanced by CRM. The identification of customer service as the seventh most popular Factor 1 consolidates the findings of the first phase of the primary research as well as illustrates the importance of customer service within the realm of CRM.

Up to 12.4% of employees and up to 8% of guests consider customer service to be the most important factor *(see Appendix AH)*. As the significance level for the testing of the difference between proportions of employees and guests who consider customer service to be the most important factor is reported to be .4848, the null hypothesis:

H_0: Proportion of employees and guests, who think that customer service is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that employees and guests allocate as much importance to the role of customer service in CRM. This was expected in view of the fact that the responsibilities of employees at operational level tend to revolve around customer service while a big part of the hotel offerings to customers tends to focus on this criterion too.

Up to 12.8% of males consider customer service to be the most important factor. As none of the 32 sampled females was reported to have customer service as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of males and females who consider customer service to be the most important factor is reported to be .1538, the null hypothesis:

H_0: Proportions of males and females, who think that customer service is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding indicates that males and females allocate as much importance to the role of customer service in CRM.

Up to 14.3% of younger respondents consider customer service as the most important factor. As none of 37 older respondents sampled was reported to have customer service as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider customer service to be the most important factor is reported to be .1055, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that customer service is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that younger and older respondents allocate as much importance to the role of customer service in CRM.

Up to 10.2% of single respondents and up to 8.4% of non single respondents consider customer service to be the most important factor. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider customer service to be the most important factor is reported to be .7249, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that customer service is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that single and non single respondents allocate as much importance to the role of customer service in CRM.

Up to 10.8% of guests employed in a professional or managerial position consider customer service to be the most important factor. As none of the 16 guests not employed in a professional or managerial position was reported to have customer service as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider customer service to be the most important factor is reported to be .4360, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that customer service is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding implies that guests allocate as much importance to the role of customer service in CRM.

Up to 12.2% of guests on business consider customer service to be the most important factor. As none of the 19 guests on leisure was reported to have customer service as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider customer service to be the most important factor is reported to be .3680, the null hypothesis:

> H_0: Proportions of guests on leisure and on business, who think that customer service is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests on leisure and those on business allocate as much importance to the role of customer service in CRM. However, it is anticipated that their demands may be varied.

Up to 23.2% of employees employed at management level consider customer service to be the most important factor. As none of the 18 sampled employees employed at team level indicated customer service as their Factor 1, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider customer service to be the most important factor is reported to be .1681, the null hypothesis:

> H_0: Proportions of employees employed at management level and employees employed at team level, who think that customer service is the most important factor with regards to CRM, are the same

is not rejected. In view of their responsibilities, it was expected that more employees employed at the team level would allocate most importance to this factor. However, these findings indicate that employees employed at management level and employees employed at team level allocate as much importance to the role of customer service in CRM.

Management

The findings of Phase One of the fieldwork uncovered that respondents not only consider the commitment of senior management to be fundamental to the success of CRM within hotel companies, but the role of management to ensure that employees are looked after and adequately trained was also highlighted. The fact that management is considered to be the seventh most popular Factor 1 consolidates the findings of the questionnaires.

Up to 7.7% of employees and up to 11% of guests consider management to be the most important factor *(Appendix AI)*. As the significance level for the testing of the difference between proportions of employees and guests who consider management to be the most important factor is reported to be .6310, the null hypothesis:

H_0: Proportions of employees and guests, who think that management is the most important factor with regards to CRM, are the same

is not rejected. Although it was expected that more employees would consider the role of management to be of most importance, these findings indicate that employees and guests allocate as much importance to the role of management in CRM.

Up to 9.6% of males and up to 9.2% of females consider management to be the most important factor. As the significance level for the testing of the difference between proportions of males and females who consider management to be the most important factor is reported to be .8236, the null hypothesis:

H_0: Proportions of males and females, who think that management is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding indicates that males and females allocate as much importance to the role of management in CRM.

Up to 10.7% of younger respondents and up to 7.9% of younger respondents consider management to be the most important factor. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider management to be the most important factor is reported to be .6618, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that management is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that younger and older respondents allocate as much importance to the role of management in CRM.

Up to 13.7% of single respondents consider management to be the most important factor. As none of 35 the non single respondents was reported to have management as their first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider management to be the most important factor is reported to be .1237, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that management is the most important factor with regards to CRM, are the same

is not rejected. Subsequently, this finding indicates that single and non single respondents allocate as much importance to the role of management in CRM.

Up to 10.8% of guests employed in a professional or managerial position and up to 18.1% of guests not employed in a professional or managerial position consider management to be the most important factor. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider management to be the most important factor is reported to be .7015, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that management is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests allocate as much importance to the role of management in CRM.

Up to 15.3% of guests on leisure and up to 12.2% of guests on business consider management to be the most important factor. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider management to be the most important factor is reported to be .8654, the null hypothesis:

> H_0: Proportions of guests on leisure and on business, who think that management is the most important factor with regards to CRM, are the same

is not rejected. Subsequently, this finding indicates that guests on leisure and those on business allocate as much importance to the role of management in CRM.

Up to 16.1% of employees employed at team level consider management to be the most important factor. As none of the 20 sampled employees employed at management level indicated management as their Factor 1, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider management to be the most important factor is reported to be .2854, the null hypothesis:

> H_0: Proportions of employees employed at management level and employees employed at team level, who think that management is the most important factor with regards to CRM, are the same

is not rejected. It was expected that as employees employed at management level by all means understand how significant the influence of management is to hotel operations, more of these employees would allocate most importance to this factor. However, these findings indicate that employees employed at management level and employees employed at team level allocate as much importance to the role of management in CRM.

Customer expectations

The findings of the first phase of the fieldwork identified that focusing on meeting the needs of customers is considered to be an integral activity of CRM. The identification of customer expectations as a common Factor 1 not only consolidates the findings of the questionnaires but also highlights the extent of the importance of this factor within the realm of CRM. Indeed, CRM is not only about what hotel companies can deliver in terms of strategies and tactics but it also involves customer expectations.

Up to 7.7% of employees and up to 6.9% of guests consider customer expectations to be the most important factor *(Appendix AJ)*. As the significance level for the testing of the difference between proportions of employees and guests who consider customer expectations to be the most important factor is reported to be .9294, the null hypothesis:

> H_0: Proportions of employees and guests, who think that customer expectations is the most important factor with regards to CRM, are the same

is not rejected. Although it was expected that more guests would allocate most importance to customer satisfaction, these findings indicate that employees and guests allocate as much importance to the role of customer expectations in CRM.

Up to 9.6% of males consider customer expectations to be the most important factor. As none of the 32 females was reported to have customer expectations as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of males and females who consider customer expectations to be the most important factor is reported to be .2472, the null hypothesis:

> H_0: Proportions of males and females, who think that customer expectations is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding indicates that males and females allocate as much importance to the role of customer expectations in CRM.

Up to 10.7% of respondents younger than 35 years old consider customer expectations to be the most important factor. As none of the 37 older respondents was reported to have customer expectations as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider customer expectations to be the most important factor is reported to be .1891, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that customer expectations is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that younger and older respondents allocate as much importance to the role of customer expectations in CRM.

Up to 10.2% of single respondents consider customer expectations to be the most important factor. As none of the 35 non single respondents was reported to have customer expectations as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider customer expectations to be the most important factor is reported to be .2116, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that customer expectations is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that single and non single respondents allocate as much importance to the role of customer expectations in CRM.

Up to 10.8% of guests employed in a professional or managerial position consider customer expectations to be the most important factor. As none of the 16 guests not employed in a professional or managerial position was reported to have customer expectations as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position who consider customer expectations to be the most important factor is reported to be .4360, the null hypothesis:

H_0: Proportions of guests employed in a professional or managerial position and guests not employed in a professional or managerial position, who think that customer expectations is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that guests allocate as much importance to the role of customer expectations in CRM. However, it is anticipated that the expectations of these two segments of populations would be varied.

Up to 12.2% of guests on business consider customer expectations to be the most important factor. As none of the 19 guests on leisure was reported to have customer expectations as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of guests on leisure and guests on business who consider customer expectations to be the most important factor is reported to be .3680, the null hypothesis:

H_0: Proportions of guests on leisure and on business, who think that customer expectations is the most important factor with regards to CRM, are the same

is not rejected. Although it was expected that more guests on business would allocate most importance to customer expectations, these findings indicate that guests on leisure and those on business allocate as much importance to the role of customer expectations in CRM.

Up to 14.6% of employees employed at management level consider customer expectations to be the most important factor. As none of the 18 sampled employees employed at team level indicated customer expectations as the Factor 1, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider customer expectations to be the most important factor is reported to be .3363, the null hypothesis:

H_0: Proportions of employees employed at management level and employees employed at team level, who think that customer expectations is the most important factor with regards to CRM, are the same

is not rejected. Thus, this finding indicates that employees employed at management level and employees employed at team level allocate as much importance to the role of customer expectations in CRM.

Segmentation

As discussed in Chapters Three and Six, CRM information systems can help hotel companies categorise their customer databases. However, hotel companies can not only segment their customer base in line with the needs of the latter but just as importantly within the context of CRM, they can indeed segment the rewards and benefits they offer their customers. In turn, the precise targeting of CRM initiatives is expected to be achieved. The identification of segmentation as a common Factor 1 strengthens the academic contention discussed in Chapter Three and Six, that different customers will perceive benefits, facilities and indeed services differently.

Up to 12.4% of employees consider segmentation or the categorisation of facilities and services to be the most important factor. As none of the 43 guests sampled was reported to have segmentation as the Factor 1, no confidence interval could be determined for this segment of the population *(Appendix AK)*. As the significance level for the testing of the difference between proportions of employees and guests who consider segmentation to be the most important factor is reported to be .1277, the null hypothesis:

H_0: Proportions of employees and guests, who think that segmentation is the most important factor with regards to CRM, are the same,

is not rejected. Although it was expected that in line with their needs, more guests would allocate most importance to segmentation, these findings indicate that employees and guests allocate as much importance to the role of segmentation in CRM.

Up to 6% of males and up to 9.2% of females think that segmentation is the most important factor. As the significance level for the testing of the difference between proportions of males and females who consider segmentation to be the most important factor is reported to be .7585, the null hypothesis:

H_0: Proportions of males and females, who think that segmentation is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that males and females allocate as much importance to the role of segmentation in CRM.

Up to 6.7% of respondents younger than 35 years old and up to 7.9% of respondents older than 35 years old consider segmentation to be the most important factor. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider segmentation to be the most important factor is reported to be .9011, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that segmentation is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that younger and older respondents allocate as much importance to the role of segmentation in CRM.

Up to 6.4% of single respondents and up to 8.4% of non single respondents consider segmentation to be the most important factor. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider segmentation to be the most important factor is reported to be .8444, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that segmentation is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that single and non single respondents allocate as much importance to the role of segmentation in CRM.

None of the 27 guests employed in a professional or managerial position and none of the

16 guests not employed in a professional or managerial position was reported to have segmentation as their first factor. Thus, no confidence interval could be determined for these segments of the populations. The differences in proportions could also not be tested.

As none of the 19 guests on leisure and none of the 24 guests on business was reported to have segmentation as their first factor, no confidence interval could be determined for these segments of the population. The differences in proportions could also not be tested.

Up to 23.2% of employees employed at management level consider segmentation to be the most important factor. As none of the 18 sampled employees employed at team level indicated segmentation as Factor 1, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider segmentation to be the most important factor is reported to be .1681, the null hypothesis:

> H_0: Proportions of employees employed at management level and employees employed at team level, who think that segmentation is the most important factor with regards to CRM, are the same

is not rejected. It was expected that as employees employed at management level would have more understanding of the advantages to be reaped from segmentation, more of these employees would consider this factor to be of most significance. However, these findings indicate that employees employed at management level and employees employed at team level allocate as much importance to the role of segmentation in CRM.

Offerings

Hotel facilities and services represent the fundamental combination of offerings of hotel companies. Indeed, as discussed in Chapter Six, both of these elements are considered inherent to the hotel industry. The fact that what a hotel offers is identified as a common factor indicates that although CRM may arguably be considered to be part of the augmented product of the hotel industry, guests and employees consider what is offered by the hotels to be critical. The identification of this common factor by all means also consolidates the findings of the first phase of the primary research.

Up to 12.4% of employees consider offerings to be the most important factor. As none of the 43 guests sampled was reported to have offerings as their Factor 1, no confidence interval could be determined for this factor *(see Appendix AL)*. As the significance level for the testing of the difference between proportions of employees and guests who consider offerings to be the most important factor is reported to be .1277, the null hypothesis:

> H_0: Proportions of employees and guests, who think that offerings is the most important factor with regards to CRM, are the same,

is not rejected. Although it was expected that more guests would be inclined to allocate most importance to this factor, these findings imply that guests and employees allocate as much importance to the role of offerings in CRM.

Offerings are the most important factor for up to 14.6% of females. As none of the 49 males was reported have offerings as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of males and females who consider offerings to be the most important factor is reported to be .0764, the null hypothesis:

> H_0: Proportions of males and females, who think that offerings is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that males and females allocate as much importance to the role of offerings in CRM.

Up to 10.7% of respondents younger than 35 years old consider offerings to be the most important factor. As none of the 37 older respondents was reported to have offerings as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of respondents younger than 35 years old and respondents older than 35 years old who consider offerings to be the most important factor is reported to be .1891, the null hypothesis:

H_0: Proportions of younger respondents and older respondents, who think that offerings is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that younger and older respondents allocate as much importance to the role of offerings in CRM.

Up to 10.2% of single respondents consider offerings to be the most important factor. As none of the 35 non single respondents was reported to have offerings as the first factor, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of single respondents and non single respondents who consider offerings to be the most important factor is reported to be .2116, the null hypothesis:

H_0: Proportions of single respondents and non single respondents, who think that offerings is the most important factor with regards to CRM, are the same

is not rejected. Accordingly, this finding indicates that single and non single respondents allocate as much importance to the role of offerings in CRM.

None of the 27 guests employed in a professional or managerial position and none of the 16 guests not employed in a professional or managerial position was reported to have offerings as the first factor. Thus, no confidence interval could be determined for these segments of the populations. The difference in proportions could also not be tested.

None of the 19 guests on leisure and none of the 24 guests on business was reported to have offerings as the first factor. Therefore, no confidence interval could be determined for these segments of the population. The difference in proportions could also not be tested.

Up to 23.2% of employees employed at management level consider offerings to be the most important factor. As none of the 18 sampled employees employed at team level indicated offerings as their Factor 1, no confidence interval could be determined for this segment of the population. As the significance level for the testing of the difference between proportions of employees employed at management level and employees employed at team level who consider offerings to be the most important factor is reported to be .1681, the null hypothesis:

H_0: Proportions of employees employed at management level and employees employed at team level, who think that offerings is the most important factor with regards to CRM, are the same,

is not rejected. It was expected that more employees employed at management level would allocate most importance to the products and services offered by a hotel. However, these findings indicate that employees employed at management level and employees employed at team level allocate as much importance to the role of offerings in CRM.

SYNOPTIC OVERVIEW

The first part of the analysis of the repertory interviews identified a range of common factors and idiosyncratic factors. The eighteen common factors identified are: added value, customer expectations, customer focus, customer perceptions, customer satisfaction, customer service, customer retention, feedback process, happiness of employees and guests, management, marketing, marketing and delivering, offerings, personalised experience, price, relationships, segmentation and standards of hotel and quality. It is thus concluded that these factors are considered by the general population with regards to the hotel industry and CRM.

As the order in which these factors are considered by a respondent is directly related to the level of importance, which that respondent attributes to them, only the most important factors, that is the common factors identified as Factor 1, have been explored in more depth. These are, in descending order of frequency: customer satisfaction, customer focus, feedback process, marketing, customer retention, relationships, customer service, management, customer expectations, segmentation and offerings.

As discussed in the Conclusion, these are in fact the CRM dimensions proposed by this thesis as being specifically aligned to the hotel industry.

It was suspected that the demographic characteristics of the respondents and the hotel usage of the guests may affect the respondents' most dominant factor of consideration. Consequently, the second part of the analysis of phase two of the primary research focuses on the further analysis of these eleven factors. The uncovering of associations between the various demographic characteristics or hotel usage of the respondents and the different common factors was attempted. Accordingly, confidence intervals were determined and the differential proportions of populations tested.

As discussed in the Conclusion, although the technique used to determine the confidence intervals of the various proportions of the general population, which were likely to consider a common factor to be of most importance, was deemed sound, the analyses conducted throughout this chapter to test the hypotheses relating the differential proportions of populations were in hindsight not deemed to be the most optimal technique to achieve the sought objective. Indeed, although scientific rigour was applied during the testing of the differences in proportions, the fact that the null hypotheses are maintained in all but three cases almost implies an empirical premonition. Although these positive affirmations cannot be discredited as a SPSS technique and syntax were applied objective, the resulting imbalance in findings arguably shrouds this part of the analysis in uncertainty. Notwithstanding, this technique was considered to not only be conceptually but also methodologically linked to the topic under investigation and the objectives of this research study. Thus although it is acknowledged that the majority of the findings indicated no difference in proportions, the technique was applied exactly as it was meant to be. In fact, in spite of the findings, this method is considered relevant to the epistemological approach of this research study. Moreover, even though these findings have not been comprehensively discussed in line with the academic contentions reviewed during the secondary research and in Chapter Six, they are considered conceptually linked to the latter. Ultimately, as was intended, this chapter complements the findings of the first phase of the primary research discussed in Chapter Six.

CONCLUSION

INTRODUCTION

The aim of this thesis has been to explore the state of CRM within the hotel industry. As identified in the Introduction, five research objectives were set to help achieve this aim. These were: to offer an insight into the evolution of Relationship Marketing as a concept (research objective 1), to illustrate the triadic grounding of CRM as a still emerging concept (research objective 2), to show that CRM is an applicable and valid strategy within the hotel industry in contemporary terms (research objective 3), to uncover the perceptual differences about CRM within the hotel industry (research objective 4) and to contribute to knowledge in marketing and in the hotel industry by proposing a refined list of dimensions of CRM, which are specifically relevant and tailored to the inherent dynamics and operations of the hotel industry (research objective 5).

In order to address how these research objectives have been attended to by this thesis, the first section of this chapter has been divided in five parts. Accordingly, each part of that section outlines how a specific objective has been addressed and achieved during the conduction of this research study. By relating the findings of the two phases of the primary research back to the synthesis of the themes discussed during the critique of the literature and to the research objectives, this chapter attempts to ultimately help understand how specific theoretical and practical dimensions of CRM can be combined with the inherent dynamics of the hotel industry to facilitate the optimal engagement of hotel companies in CRM.

Reflexivity has been an important step in the conduction of this research study. As such, the second section of this chapter offers an evaluation of the unique methodology used within this thesis in retrospect. Although, the reliability and validity as well as ethical considerations have been discussed in Chapter Four, limitations and issues encountered during the conduction of this research study have been briefly discussed anew. The purpose of this section is to not only identify the limitations of this research study in hindsight but to highlight where improvements may be focused in future research studies on the topic.

Finally, the thesis concludes by suggesting directions for future research. Additional areas, which due to the need for the maintenance of focus on the actual research topic and research objectives could only be discussed at a superficial level, are also identified.

THE MEETING OF THE RESEARCH OBJECTIVES OF THIS THESIS

Research Objective 1: To offer an insight into the evolution of Relationship Marketing as a concept

Even though the focus of this thesis is by all means on the specific concept of CRM within the hotel industry, it was intended to show how Relationship Marketing, the conceptual antecedent of CRM, has emerged within the marketing environment and academia. Chapter Two not only discussed how Relationship Marketing has been offered as an alternative to curtail many of the limitations and shortcomings associated with Traditional Marketing, but it also reviewed plausible theoretical and practical ways in which Relationship Marketing may have emerged. Indeed, even though it could by all means have sprung from within academia, Relationship Marketing is arguably just as likely to have emerged due to the needs of companies, customers and the marketing environment. These arguments are deemed very important to this research study as they clearly illustrate how the origins of CRM are not only solidly grounded in theory, but that the concept is also not detached from practice and from what is actually happening within the marketing environment.

Chapter Two explored the theoretical foundation of Relationship Marketing in order to emphasise its genuine status as a concept, if not altogether a paradigm shift. The arguments concentrated on the general business environment rather than on the hotel industry because of the fact that although Relationship Marketing has been embraced within the hotel industry, limited research has been conducted on its theoretical grounding within the hotel sector. Consequently, as discussed in Chapter Four, triangulation of theory and triangulation of secondary data has been deemed pertinent.

Many attempts have been made by academics to articulate the correct identity of Relationship Marketing. It may be plausible to advocate that the more that is known about Relationship Marketing, the easier it will be to word the ultimate definition; one that will capture the true essence of the concept. Nonetheless, the significance of Relationship Marketing has been under debate and it is anticipated that this will remain so for some time to come as the concept appears to be an evolving phenomenon. Indeed, even though it arguably started as an attempt to meet the needs of customers better and to create stronger relationships between customers and organisations, as clearly revealed by Chapter Two, Relationship Marketing no longer merely revolves around customers.

The chapter also discussed how a company's competence in terms of Relationship Marketing now revolves on the relationships, which are developed within and outside the company over time. As also discussed in Chapter One, the focus therefore lies on how a firm can develop its core and distinctive competence across multiple levels. Indeed, while in practice the locus of control appears to remain with companies, several academics have built upon the argument that Relationship Marketing is increasingly being regarded as the management of a series of relationships between organisations and customers, and other stakeholders. Accordingly, many contributions have been made in view of highlighting not only the importance of relationships with customers but also the importance of developing strong internal relationships within organisations. Many academics have concentrated on comprehensively showing the benefits to be reaped from building relationships with employees and adopting a truly holistic approach to Relationship Marketing. This philosophical approach entails the inclusion of the entire organisation.

It is anticipated that the realm of Relationship Marketing will continue to remain under debate as it is highly likely that the concept will continue to evolve. This debate is however unlikely to be caused by the lack of consensus concerning the definitions about the concept or even the contradictory perspectives about its paradigmatic status or emergence; arguments, which have also been discussed in Chapter Two. Instead, it is argued that the controversy, which surrounds Relationship Marketing, will be about the dimensions which the concept encompasses.

Research objective 2: To illustrate the triadic grounding of CRM as a still emerging concept

Based on the debate about what Relationship Marketing actually constitutes, and on the clear understanding that Relationship Marketing is by no means a stagnant established concept, it was deemed necessary to identify and review the elements around which CRM revolves in practice nowadays. It is argued that this dual illustration of the components of CRM and the evolution of the concept emphasises how active this concept still is both on a theoretical level and on a practical level.

The practice of CRM appears to be evolving in line with the changing needs of customers and employees, advances in technology and the challenges faced by companies. Accordingly, it is argued that in contemporary terms, CRM pivots on three main dimensions: technology, people and processes. Chapter Three focused on illustrating how this triadic combination of technology, people and processes can enable companies, including hotel chains, to not only implement the various tools and techniques associated with CRM within their operations, but more importantly, to also reap the opportunities which the concept can provide.

As discussed in Chapter Three, technology has greatly enhanced the processes associated with the implementation, evaluation and monitoring of CRM. Advances in the technological interface of the internet has unquestionably driven CRM into a new era not only in terms of providing information and making sales, but also with regard to accessing customers, gathering data about them and even targeting campaigns to them. Meanwhile, the importance of sophisticated and centralised databases have become so integral to CRM that nowadays databases seem to represent the central tool around which the concept operates. The enhanced opportunities for communication and interaction both online and offline that technological progress has enabled, have also strongly influenced CRM operations.

It is undeniable that technology plays a central role in the facilitation of CRM operations.

However, the concept undoubtedly also revolves around people. Indeed, people, namely employees, are not only crucial in the delivery of the major elements of CRM, but people, namely customers, are also without a doubt those to whom CRM is targeted. Accordingly, as reviewed in Chapter Three, it is advocated that people are intricately linked with CRM. As customers are the ones, who through their engagement will determine whether CRM is successfully supported, it can indeed be argued that "generally the customer is still very much the king" as far as the concept is concerned (Overell, 2004:1). However, in recent times, the role of internal marketing functions has increasingly been said to be fundamental to the ultimate success of CRM within a company. Accordingly, it is recommended that all bonds, whether internal or external, which may have an effect on the stability of relationships with customers, should be actively cultivated. The nurturing of employees, the listening to one's customers and the crucial commitment of senior management are by all means deemed integral to CRM in contemporary terms. However, as Kelliher and Riley succinctly emphasise (2002:237):

> for functional flexibility to stick in the long-term, it needs to become embedded in the organisation and to be supported by a web of sympathetic policies.

Consequently, it is argued that the creation and the establishment of successful customer relationships confront companies with a complex range of relationship and network management tasks.

Although technology has been crucial in the facilitation of CRM and has as such attracted much investment, the optimisation of CRM indeed requires the organisation of business processes as well as a thorough understanding of both internal and external customers. However, genuine adoption of CRM also means that companies need to address their own cultures and subcultures. As a matter of fact, companies are expected to not only continuously view their organisations from the customers' perspective but just as importantly, gear their operations to actively involve customer feedback and changes dictated by the marketing environment, by the customers or arguably even by employees. As a concept, CRM additionally appears to call for the consistent application of best practices in the business processes too. Only then, it is expected that companies, including hotel chains, would be able to use their resources in terms of people, technology and processes to optimally achieve their CRM objectives.

Research objective 3: To show that CRM is an applicable and valid strategy within the hotel industry in contemporary terms

A hotel's success is determined by its ability to establish and maintain positive relationships with its guests. Successful hoteliers have traditionally prided themselves on the loyalty that their personal interactions with guests can engender. Therefore, customer satisfaction and customer loyalty have been dominant hotel objectives. As customer commitment has been highlighted in Chapter Two as one of the fundamental areas in which Relationship Marketing is deemed different from Traditional Marketing, Relationship Marketing could thus be said to be aligned to these main objectives of hotel operations.

The fundamental underpinnings of CRM centre on the nurturing of customers and on the strengthening of relationships between companies and customers. The very essence of its customer focused environment is also an indication that the hotel industry is particularly aligned to this concept. As such, and as identified in Chapter Three, it is argued that hotel companies can truly benefit from a strategic and focused approach to CRM. While the quality of facilities and customer service can help engender customer loyalty at the level of hotel operations, customer loyalty schemes and targeted CRM campaigns can boost benefits and relationships between customers and hotel companies. As a matter of fact, and as highlighted by various examples of applications mentioned in Chapter Three, the offerings of hotels seem to be particularly suited to be enhanced by CRM.

Success within the hotel industry is affiliated with the affinity for customer service and person to person exchanges with the clientele. Although nothing can diminish the importance of face to face customer contact within hotels, hoteliers increasingly appear to be attempting to woo their guests with the technological fares, relationships and rewards, which CRM enables. Indeed, CRM appears to be fast becoming the arbiter of success in this traditionally distinctly people-oriented industry. This thesis, in particular Chapter One and Chapter Three, shows how even though the hotel industry by all means still remains strongly contact-oriented and service-oriented, CRM is increasingly used at different levels of the industry. Indeed, albeit not flawlessly, CRM has already been embraced by many hotel chains. This engagement in CRM by all means strengthens the argument that CRM is applicable to the hotel industry. Furthermore, Chapter One and Chapter Three of this thesis clearly illustrate how CRM can also be a valid strategy for hotel companies.

Research objective 4: To uncover the perceptual differences about CRM within the hotel industry

It has been argued that the success of a strategy depends not only on the ability of a hotel company to identify and understand what its customers genuinely need and want but also on its ability to assess its own capability to deliver enhanced value in terms of these specific needs and wants. Suffice to say then that, as discussed in Chapter One, both the strategic options of a company and the achievement of competitive advantage in terms of CRM are considered to be directly linked to the elements or features, which targeted customers genuinely favour.

Prior to engaging in any CRM objective or strategy, it is argued that hotel companies must ensure that they understand what their target customers are looking for as far as CRM is concerned. Thereafter, they should ensure that the elements, which are genuinely deemed important by their core customers, remain the focus of their CRM endeavours. As a matter of fact it is considered that the optimisation of CRM requires companies to not only understand their customers and the prescribed organisation of their business processes but also to understand their own employees. As discussed in Chapters Two and Three, it is argued that employees, guests as well as the entire organisation are the building blocks of CRM. Accordingly, the understanding of the perceptions of guests about the concept and the understanding of the perceptions of employees about the concept are considered to be fundamental steps in the devising of any CRM strategy and indeed in the engagement of a hotel chain in CRM. Without a doubt it is the onus of management to ensure that the organisation and its employees deliver on the dimensions of CRM, which their target customers seek. If need be, hotel companies should train their staff to ensure that the latter fully understands how the company wishes to engage in CRM. Only then, it is argued would employees be able to deliver on what is being expected from them.

The aim of the primary research was to gauge the perceptions and thoughts of customers, those to whom CRM is targeted, and employees, those who are intended to deliver CRM. Based on the evaluation of the main research approaches and methods used within marketing, a combination of research methods and instruments were deemed adequate to help meet this objective. Rather than exclusively use either a quantitative or a qualitative research instrument, a combination of research methods was selected in order to optimise the achievement of this objective and limit methodological shortcomings. As discussed in Chapter Four, a combination of research perspectives was also expected to enhance the validity and reliability of the fieldwork as well as its findings and conclusions. Consequently while a positivist and quantitative research instrument, in the form of a questionnaire, was used during the first phase of the fieldwork, a repertory interview, arguably more aligned with a qualitative frame of enquiry, was utilised during the second phase of the fieldwork.

As discussed in Chapters Four, Five and Six, the questionnaire was intended to help uncover which of the elements that academics have professed to be part of the CRM concept, as discussed in Chapters One, Two and Three, actually resonate with the guests and employees. The questionnaires were also expected to uncover how prevailing dimensions of CRM influence segments of respondents in their perceptions. As discussed in Chapters Four, Seven and Eight, the qualitative research instrument, in the form of the repertory interviews, proposed to uncover the micro-reality and the constructs of the respondents. Accordingly, with minimal researcher bias, the respondents' thoughts about the concept of CRM within the hotel industry were gathered during repertory interviews. The findings of both phases were also intended to refine which elements of CRM are applicable to the hotel industry in contemporary terms. These are indeed linked to the fifth objective of this thesis, which is to refine a list of CRM dimensions, which are specifically aligned to the dynamics of the hotel industry.

The first phase of the fieldwork, the quantitative research instrument, was not only intended to act as a precursor and facilitator of the qualitative and second phase of the fieldwork. Both phases in fact served distinct purposes. While the questionnaire gathered an overview of perceptions about CRM, the repertory interviews have been used to uncover the subjective thoughts and constructs of the respondents about CRM. Subsequently, within this research study, the positivist approach and research instrument helped identify associations between dimensions linked to CRM and demographics or usage characteristics. The interpretivist approach and research instrument instead helped identify individual meaning systems. As detailed in Chapters Six and Eight, a rounded perspective about the perceptual differences about CRM within the hotel industry is deemed to have been offered. Ultimately, the findings detailed in Chapters Six and Eight, are indeed intended to help hotel companies focus their CRM offerings and dimensions to the right segments of the population.

Research objective 5: To contribute to knowledge in the field of marketing and to the hotel industry

This thesis has contributed to knowledge in the field of marketing and to the hotel industry on two levels: on the methodological level and as an applied research study. On the methodological level, the use of the repertory test within this thesis arguably represents the first time in which Kelly's original Repertory Grid Approach has been used in a research study in the hotel industry. On the level of contribution to applied research, this thesis has uncovered which dimensions of CRM are of most pertinence to the hotel industry. Consequently, a refined list of dimensions of CRM, which are specifically relevant and tailored to the inherent dynamics and operations of the hotel industry has been offered.

In terms of methodological contribution, it is stated that Kelly's original Repertory Grid Approach has not yet been used within the hotel industry based on the fact that in spite of several extensive searches, no research study within that industry was uncovered. However, this thesis is considered to contribute to knowledge in the hotel industry by not only demonstrating how this method can be successfully used for research studies within this industry too, but by also revealing as described in depth in Chapter Four, how this method can be used to uncover the genuine perceptions and thoughts of respondents. Indeed the strength of the repertory grid method lies in its ability to uncover what respondents truly think and not what they think they do.

Although the methodological contribution is by all means considered to add to the value of this thesis, it should however be emphasised that this instrument has not only been used because this specific method had not been previously applied within research on the hotel industry. In fact, this repertory grid method was primordially utilised because this research instrument was considered particularly aligned to the objectives of this stage of the primary research study and to the overall aim of the thesis. As discussed in depth in Chapter Four, the repertory test was used due to the fact that it enables minimal bias and intervention from the researcher. Thus, it was deemed particularly suitable to explore the real perceptions of the guests and employees. Accordingly, repertory grids were used to note the constructs, which the interviewees used. Indeed, the most important strength of this method with regards to this research study is that the repertory test enables guests and employees to say what they think, rather than what the researcher would like to hear or indeed what they themselves would like to think that they believe. Consequently, this method is considered to enable the uncovering of the genuine constructs, perceptions and possibly attitudes too.

Although the methodological contribution of this thesis is by all means valued, it is in fact its theoretical contribution that is considered of much more interest to the field of marketing within the hotel industry. As a concept, CRM is still evolving. However, as discussed in Chapters Two and Three, there are some conceptual underpinnings whereupon the concept revolves. Even though CRM had indeed been discussed in general business terms during the critique of the literature, the inherent characteristics of the industry wherein it is applied should by all means be taken into consideration. Accordingly, it is argued that when it is being embraced within the hotel industry, the dynamics of that sector represents much more than a mere backdrop to the implementation and engagement of hotel companies in CRM. As a matter of fact, it is contended that not only are hotel operations and strategies intricately linked with the embracing of CRM but they are also part of CRM within hotel companies. Therefore, even though it is not denied that some properties and dimensions are inherent to CRM in general across service industries and the business environment, some of these are in fact specifically geared for the hotel industry. Although how CRM is embraced within a hotel chain will by all means undoubtedly be linked to the size of that hotel chain and the type of environment within which it revolves as well as its strategic positioning, it is argued that the list of CRM factors proposed by this thesis is applicable across the industry.

Although Chapter Six identified that all the activities examined by the questionnaires are still considered to be part of CRM, as explained in Chapter Eight, 18 common factors and 12 idiosyncratic factors were identified to be pertinent to CRM within the hotel industry *(see Appendix Z)*. Although the idiosyncratic factors are noted as it is indeed acknowledged that respondents are individuals in their own right, it is however the 18 common factors, which are of relevance to this research study as they indicate which factors respondents actually consider with regards to CRM in the hotel industry. These are: customer satisfaction, customer focus, marketing, feedback process, customer service, customer retention, offerings, customer expectations, relationships, management, customer perceptions, happiness of employees and guests, standards of hotel and quality, added value, marketing and delivering, individual experience, price and segmentation.

Notwithstanding, what is deemed even more significant are the 11 factors which as discussed in Chapter Eight, customers and guests alike, identified to be their Factor 1 or their most important factor. Consequently, as outlined in the following table, these constitute the specific CRM dimensions that this thesis advocates that hotel companies should focus on. It is indeed proposed that these very elements, will ultimately determine whether CRM is successfully embraced or not within hotel chains and the hotel industry. Therefore, this thesis also argues that hotel chains should ensure that these 11 fundamental factors are not only integrated in their CRM strategies and operations, but that these should be continuously and consistently monitored. Only then, would hotel companies be able to benefit from the long-term opportunities afforded by CRM.

The dimensions, which this thesis advocates that hotel companies should focus on:

- Customer satisfaction
- Customer focus
- Feedback process
- Marketing
- Customer retention
- Relationships
- Customer service
- Management
- Offerings
- Segmentation
- Customer expectations

Accordingly, it is contended that hotel companies should not only integrate their processes with regards to customer satisfaction, customer focus and customer service with CRM, but that they should also ensure that integrated feedback processes are inherently part of their operations. As CRM is closely aligned to marketing and management, it is indeed advised that CRM remains aligned to the conduction of these business functions. The findings of this thesis clearly indicate that CRM is not considered to be a separate function within the hotel industry. As such, it should be integrated in traditional hotel offerings such a customer satisfaction and customer service and products and services offered. In addition, more specific elements such as the creation and maintenance of relationships and the segmentation of offerings and benefits are also recommended. Indeed, not only should customer expectations be monitored, but customer retention should also be sought. Thereby, CRM will not only be optimally embraced within the hotel industry, but it will also be considered to be an integral part of the hotel offerings and operations.

Although a list of CRM dimensions specifically suited to the dynamics of the hotel industry is indeed proposed by this thesis, it cannot be ignored that as succinctly argued by Popper (1968), knowledge is by its very nature provisional and permanently so. Consequently, in line with Popper's contention, it is argued that although the researcher has moved closer to the truth about CRM through the accuracy of this research study, it is nonetheless also agreed that researchers can never ever know if they have achieved their goal of reaching the ultimate truth. This standpoint indeed sheds light on the difference between the concepts of real truth versus synthetic truth. Hence whether synthetic truth is the only kind of truth that research studies can realistically aspire to is indeed one of the pinnacles of research and indeed of this thesis. Thus, the propositions made by this research study are intended to be temporal as it is argued that not only will the concept of CRM continue to evolve but so too will the hotel industry, customers and most certainly the marketing environment. In the meantime, as discussed in Chapter Three, even though CRM may not have been optimally used within the hotel industry, there is hope that when the correct dimensions of the concept are focused upon, CRM can indeed be successful for guests, employees and the hotel companies. Indeed, the deepest essence of this investigation is that people are driven by similar dimensions and that each dimension serves a purpose.

THE RE-EVALUATION OF THE METHODOLOGY USED WITHIN THIS THESIS

The methodology adopted within this research study was driven by the aim and objectives discussed in the Introduction rather than merely the intention to produce interesting and empirical research. Although it is acknowledged that as with all research, this thesis cannot be considered to be completely flawless, it is however argued that the structured approach adopted throughout its design and conduction greatly reduced the methodological and conceptual limitations which may have been associated with it.

Themes have been discussed during the critique of the literature based on their emerging relevance to the topic under investigation rather than the preconception of the researcher. Accordingly, although the dimensions against which the concept of CRM intended to be tested were defined during the critique of the literature, the selection and depth of areas discussed during the secondary research are considered adequate for the aim of this thesis. Notwithstanding, it is acknowledged that in order to maintain focus on the topic on CRM, some discussions had to be curtailed. This was particularly noted with regards to the topics of branding and consumer behaviour. As a matter of fact, these themes are considered so complex that it was thought that should the critique of the literature focus more on them, the perspective of the entire thesis would have shifted. Hence, these topics were deliberately not referred to in more depth within this thesis. However, as it cannot be denied that they both could acutely influence the perceptions of respondents, such a restraint was arguably not the best option with regards to the portrayal of CRM in contemporary terms.

Having developed indicators from the secondary research to use for the first phase of the primary research, the researcher had to ensure that these in fact did measure the concept she thought they would measure. Accordingly, the questions used throughout the standardised questionnaire were framed in line with the dimensions of CRM explored throughout the critique of the literature. The validity of the content of the questionnaire was enhanced by the extent to which the various indicators measured the different aspects of the concept of CRM within the hotel industry. Academic and professional review as well as a pilot study enhanced its reliability. Nonetheless, false responses could neither be determined nor avoided for the questionnaires. Additionally, although it would have been interesting to unravel why respondents would find specific dimensions of CRM to be influential or at least why they would consider an activity to be part of CRM, such information could not be uncovered by the questionnaire.

The pilot study conducted for the two phases of the primary research reduced, if not altogether eliminated, any reliability and validity issues that could have been associated with these. However, although two pre-tests and a pilot study was conducted to test the content and structure of the questionnaire, due to the queries made by some respondents during the main survey, it was felt that rather than conduct only one pilot study with the respondents, the questionnaire should have instead been tested until no issue or query was highlighted about its content or structure. Only then, could it have been thought that the questionnaire was flawless and that it was adequate to be used in the main survey. As was discovered during the conduction of the primary research, and as discussed in Chapter Four, some omissions were also noted during the analysis of the questionnaires. For instance, beliefs about whether an activity is part of CRM, were forced. Extending the number of pre-tests could arguably have highlighted that a 3rd option, "Don't know", was in fact necessary.

The same concern was associated with the number of elements used in the repertory grids. Although a pilot study was conducted to test the structure intended for the repertory interviews and the elements of the grid, due to the queries encountered during the main interviews, it was considered that rather than conduct only one pilot study, the repertory grid would also have benefited from being tested until no issue or query was highlighted about its content. Only then, could it have been concluded that the repertory grid was indeed flawless and adequate to be used during the main repertory interviews. As was discovered during the conduction of the interviews, many respondents were confused about the term "profit". Extending the number of pre-tests would arguably have highlighted the lack of clarity of this element.

Although the researcher has striven not to impose her views on the respondents, she has in fact imposed the views of academics on the respondents during the first part of the primary research. The use of the repertory grid method during the second phase of the fieldwork was intended to counteract this imposition as well as curtail the limitations associated with the possible lack of depth of information afforded by the questionnaires. Indeed, the second research instrument was used to eliminate the bias issues associated with the first part of the fieldwork. Notwithstanding, interviewer distortion could, albeit being controlled, not be guaranteed to have been completely eliminated. Furthermore, it was indeed the researcher who ultimately decided how many elements should be included in the main repertory grid. In hindsight, after the conduction of one hundred interviews, thirteen elements were considered too many. Instead, it was felt that ten elements would have been more recommendable for such a study.

Notwithstanding the plausible issues uncovered in Chapter Four, the descriptive and exploratory analyses facilitated the achievement of the objectives of this research study and enabled a comprehensive understanding of the state of CRM in the hotel industry in contemporary terms. However, due to the fact than non-random sampling procedures were used, more succinct generalisations could not be made in Chapter Six during the analysis of the questionnaires. This forthrightly limited the scope of this research study in terms of its value to the hotel industry and to the field of CRM. Although as discussed in Chapter Four, non-random sampling techniques were only chosen due to the difficulties encountered in the attempt to apply random sampling techniques for the selection of respondents, it is nevertheless acknowledged that the former would have greatly enhanced the scope of this research study. The sampling issues meant that no generalisation could be made within this research study even though the uncovering of generalisations would in turn have helped uncover trends. However, the analyses conducted did enable the achievement of the objective of this thesis, which was to uncover perceptual differences.

An important criterion of applying the techniques of factor analysis to the repertory grids is that the data gathered from the respondents was greatly reduced. As a matter of fact, only the constructs were considered. Subsequently, much of the information offered by the respondents was discarded during the analysis. Although this by no means reduced the validity and reliability of the repertory grid method as a research instrument, as the latter is in fact conceptually and methodologically framed to concentrate on the constructs identified and ignore the contrasts, it is however argued that the contrasts gathered during the interviews undoubtedly also offer much information about the individuals. As such, they could have arguably also been used and not forthrightly ignored. Instead of applying factor analysis techniques to the data gathered during the repertory interviews, the identification, structuring and even counting of the occurrence of constructs and contrasts may arguably have uncovered plausible findings and even patterns. Such a simple technique was not considered statistically apt for a research study at PhD level. Yet in hindsight, unlike factor analysis, this simple procedure would indeed have also enabled the consideration of the contrasts too.

It was not considered necessary to incorporate academic references during the discussion of the findings of the second phase of the primary research in Chapter Eight as these had already been discussed comprehensively in Chapter Six with relevance to the findings of the first phase of the primary research. However, in hindsight, it is felt that the inclusion of academic discussion would have enhanced the academic credence of Chapter Eight. With regards to this analyses discussed in that chapter, the confidence intervals determined were considered to have added value to the research study. However, interestingly most of the hypotheses have not been supported. Indeed, even though it was identified that some proportions of the respondents think differently, as these groups could not be meaningfully interpreted, they added little useful contribution to the research study. In hindsight, perhaps although the sampling was justified, this limited contribution could arguably have been caused by the fact that the non-random sampling techniques used were questionable. Upon noting that the analyses did not contribute much to the overall thesis, the researcher was tempted to remove this part of the analyses and only retain the identification of confidence intervals. However as it was considered that this could have been considered to be a case of manipulation or even distortion of findings, these analyses were included in the final presentation of this thesis. Notwithstanding, it is acknowledged that they added little value to this thesis. Thus, in hindsight, the application of the syntax was not advisable.

As with any study, potential limitations to the generalisation of the findings must be acknowledged. The profile of the respondents may by all means have influenced the perceptions identified during the questionnaire, and the constructs and factors uncovered in the repertory grids. Indeed, it cannot be overruled that non-respondents may indeed have had completely different opinions. Additionally, as tends to be the case with research in the realm of service industries, the findings were undoubtedly influenced by the context of the study (Darian et al., 2001). In particular during the conduction of the survey, employees may have wanted to respond in a certain way because they were being surveyed in the hotels where they work, and thus they were under socially acquired pressure to provide certain type of information. Notwithstanding, the combination of research instruments used within this research study are considered both adequate to the type of analysis and depth of findings sought by this thesis.

It is acknowledged that in most research studies, it is customary to use qualitative data first to clarify meanings and other parameters of the variables under investigation and to then use this information to base the quantitative part of the research study. Within this research study, this process was deliberately reversed as it was deemed that the initial variables for examination had already been uncovered by academia and practice. These had in fact been discussed during the critique of the literature. Thus, quantitative data was examined first, qualitative data, namely personal constructs, was then examined.

During the gathering of the qualitative part, a closer engagement as supported by interpretivists may have led to the researcher being in a better position to identify with the respondents standpoints. However, this position was not adopted as it was thought that this would have resulted in an added responsibility for the researcher to ensure that the respondents' reality is not only adequately interpreted but also reliably conveyed. Thus, issues about reliability and validity may undoubtedly have arisen as indeed it can never be totally guaranteed that the realities of the respondents are in fact completely and even adequately portrayed. The researcher having maintained the position of a non-participant objective observer throughout the research process, led to such issues being limited. Indeed, although the researcher has more than 10 years of work experience at managerial level within the hotel industry, and she is also bound to be influenced to some degree by her culture, worldview and thus exhibit some subjectivity, objectivity was nonetheless sought throughout the research process. Notwithstanding, although this was striven for, it could not be guaranteed.

Hirschman and Holbrook's (1986) and Szmigin and Foxall's (2000) argument that rather than represent the genuine real world, positivists only present a reality, which is subjectively experienced in the mind of the participants of their research studies at a specific given time, at the time when the fieldwork is being conducted, is considered particularly relevant to this thesis. Even though this research study may therefore not ultimately uncover the true reality, it is however argued that the findings uncovered the reality that mattered most to the respondents at the time of the study. Accordingly, despite the fact that it was intended to offer a refined list of CRM dimensions within the hotel industry based on the perceptions of the employees and guests, it is indeed acknowledged that only a temporal list of dimensions or factors can ever be offered. Indeed, this thesis is, albeit comprehensive, based on just one vision of a consumer at only one given point in time and thus represents a mere snapshot of the real world of CRM in the hotel in industry. Undoubtedly, not only are guests evolving and changing, but so too are the technological components of CRM, the structure of hotel chains and even the marketing environment. Thus, although the existence of a single objective reality with regards to CRM is supported, it is however not thought that this reality is stagnant. Indeed, it is contended that CRM is in the midst of a process of continuous evolution.

AREAS FOR FURTHER RESEARCH

This research study has by all means given rise to the identification of areas where more empirical work needs to be done into both the nature of CRM and the factors, which are likely to determine the effectiveness with which it is practiced within the specific industries, including the hotel industry. Accordingly, although this research study adopted a cross-sectional time frame, it is suggested that longitudinal studies be conducted within hotel companies in order to assess how CRM evolves within companies from its deployment throughout its integration in hotel operations. Only then, it is argued would the real impact of CRM within the hotel industry and companies be truly appreciated and understood.

This thesis, in particular Chapters One and Three, has uncovered how hotel companies are increasingly attempting to increase their return on investment on CRM information systems. Although this was not explored within this thesis due to the fact that it was not deemed pertinent to the objectives set for this research study, it is suggested that research should investigate in what ways returns on investment and efforts towards

CRM might be measured.

This thesis proposes a refined list of CRM dimensions along which hotel companies can optimise their engagement in CRM. However, it is suggested that research be conducted in order to offer a systematic approach through which specific hotel companies could implement CRM within their own environments. Consequently, an evaluation of these dimensions in line with the requirements of specific hotel companies within specific market environments is recommended. For further research, it is thus suggested that specific case studies be examined and monitored.

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APPENDICES

Appendix A: Porter's Generic Strategies
(Porter, 1985)

COMPETITIVE ADVANTAGE

COMPETITIVE SCOPE	Low Cost	Differentiation
Broad Target	Cost Leadership	Differentiation
Narrow Target	Cost Focus	Differentiation Focus

Appendix B: A summary of Johnson and Scholes's 5 Competitive Strategic Routes
(Johnson and Scholes, 2002)

Route 1: Cheap and cheerful
- Reducing price and perceived value
- Concentrate on price sensitive customers
- Customers recognise products and services as low quality offerings

Route 2: Reduced price while maintaining quality of product or service
- Can be imitated by other companies
- Competing companies can find themselves in price wars
- Lack of innovation of products and services due to low profit margins

Route 3: Hybrid
- Added value with low price
- Cost base permits low price
- Ability to re-invest in company

Route 4: Added value or differentiation
- Unique and Different from competitors' offerings
- Companies can achieve a higher market share by offering better products and services

Route 5: Focused differentiation
- Higher value offered at premium price

Appendix C: Brotherton's 36 Critical Success Factors
(Brotherton, 2004)

1. Central sales and reservations system
2. Convenient locations
3. Standardised hotel design
4. Size of hotel network
5. Geographic coverage of hotel network
6. Consistent accommodation standards
7. Consistent service standards
8. Good value restaurants
9. Value for money accommodation
10. Recognition of returning guests
11. Warmth of guest welcome
12. Corporate contracts
13. Operational flexibility/responsiveness
14. Smoking and non-smoking rooms
15. Design/ look of guest bedrooms
16. Size of guest bedroom
17. Responsiveness to customer demands
18. Guest bedroom comfort level
19. Customer loyalty/ repeat business
20. Disciplined operational controls
21. Speed of guest service
22. Efficiency of guest service
23. Choice of room type for guests
24. Guest security
25. Low guest bedroom prices
26. Limited service level
27. Hygiene and cleanliness
28. Quality audits
29. Staff empowerment
30. Strong brand differentiation
31. Customer surveys/ feedback
32. Staff training
33. Added-value facilities in guest rooms
34. Staff recruitment and selection
35. Standard pricing policy
36. Quality standards

Appendix D: The Marketing Mix and Proposed Extensions of 4Ps
(Gummesson, 1994:8)

4Ps McCarthy (1960)	5Ps Judd (1987)	6Ps Kotler (1984)	7Ps Booms and Bitner (1981)	15Ps Baumgartner (1991)
Product	Product	Product	Product	Product/ service
Price	Price	Price	Price	Price
Promotion	Promotion	Promotion	Promotion	Promotion
Place	Place	Place	Place	Place
	People	Political power	Participants	People
		Public option formation	Physical evidence	Politics
			Process	Public Relations
				Probe
				Partition
				Prioritise
				Position
				Profit
				Plan
				Performance
				Positive implementation

Appendix E: The 30Rs (30 relationships) offered by Gummesson
(Gummesson, 1999)

R1. *The classic dyad: the relationship between the supplier and the customer*: This is the parent relationship of marketing, the ultimate exchange of value, which constitutes the basis of business.

R2. *The many-headed customer and the many-headed supplier*: Marketing to other organisations - industrial marketing or business marketing - often means contacts between many individuals from the supplier's and the customer's organisation.

R3. *Megamarketing: the real "customer" is not always found in the marketplace*: In certain instances, relationships must be sought with a "non-market network" above the market proper - governments, legislators, influential individuals - in order to make marketing feasible on an operational level.

R4. *The classic triad: customer-supplier-competitor relationship*: Competition is a central ingredient of the market economy. There are relationships between three parties: between the customer and the current supplier, between the customer and the supplier's competitors, and between competitors.

R5. *Alliances change the market mechanisms*: Alliances mean closer relationships and collaboration between companies. Thus competition is partly curbed, but collaboration is necessary to make the market economy work.

R6. *Market mechanisms are brought inside the company*: By introducing profit centres in an organisation, a market inside the company is created and internal as well as external relationships of a new kind emerge.

R7. *The service encounter: interaction between the customer and front line personnel*: Production and delivery of services involve the customer in an interactive relationship with the service provider's personnel.

R8. *Interfunctional and interhierarchical dependency: the relationship between internal and external customers:* The dependency between the different tiers and departments in a company is seen as a process consisting of relationships between internal customers and internal providers.

R9. *Relationships via full-time marketers (FTMs) and part-time marketers (PTMs)*: Those who work in marketing and sales departments - the FTMs - are professional relationship-makers. All others, who perform other main functions but yet influence customer relationships directly or indirectly, are PTMs. There are also contributing FTMs and PTMs outside the organisation.

R10. *Internal marketing: relationships with the "employee market"*: Internal marketing can be seen as part of RM as it gives indirect and necessary support to the relationships with external customers.

R11. *Non-commercial relationship*: This occurs between the public sector and citizens/customers, but includes voluntary organisations and other activities outside of the profit-based economy, such as those performed in families.

R12. *Physical distribution: the classic marketing network*: The physical distribution consists of a network of relationships, which is sometimes totally decisive for marketing success.

R13. *The electronic relationship:* An important volume of marketing takes place through networks based on IT. This is expected to grow in significance.

R14. *Megaalliances*: EU (the European Union) and NAFTA (the North America Free Trade Agreement) are examples of alliances above the single company and industry. They exist on government and supranational levels.

R15. *Quality providing a relationship between production and marketing*: The modern quality concept has abridged technology and marketing and considers a company's internal relationships and its relationships to the customers.

R16. *Personal and social network*: The personal and social networks often determine the business networks. In some cultures even, business is solely conducted between friends and friends-of-friends.

R17. *The two-dimensional matrix relationship*: Organisational matrices are frequent in large corporations, above all in the relationships between product management and sales.

R18. *The relationship to external providers of marketing services*: External providers reinforce the marketing function by supplying a series of services, such as those offered by advertising agencies and market research institutes, but also in the area of sales and distribution.

R19. *The relationship to the customer's customer*: A condition for success is often the understanding of the customer's customer, and what suppliers can do to help their customers become successful.

R20. *The owner and financier relationship*: Owners and other financiers can sometimes determine the conditions under which marketing works. The relationship to them may influence the marketing strategy.

R21. *Parasocial relationships via symbols and objects*: Relationships do not only exist to people and physical phenomena, but also to mental images and symbols such as brand names and corporate identities.

R22. *The law-based relationship*: A relationship to a customer is sometimes founded primarily on legal contracts and the threat of litigation.

R23. *The criminal network*: Organised crime is built on tight and often impermeable networks guided by an illegal business mission. They exist around the world and are apparently growing but are not observed in marketing theory. These networks can disturb the functioning of a whole market or industry.

R24. *The mental and physical proximity to customers vs. the relationship via market research*: In mass marketing the closeness to the customer is often lost and the customer relationship is based on surveys, statistics and written reports.

R25. *The customer as member*: In order to create a long-term sustaining relationship, it has become increasingly frequent to enlist customers as members of various marketing programmes.

R26. *The relationship to the dissatisfied customer*: The dissatisfied customer perceives a special type of relationship, more intense than the normal situation, and often badly managed by the provider. The way of handling a complaint - the recovery - can determine the quality of the future relationship.

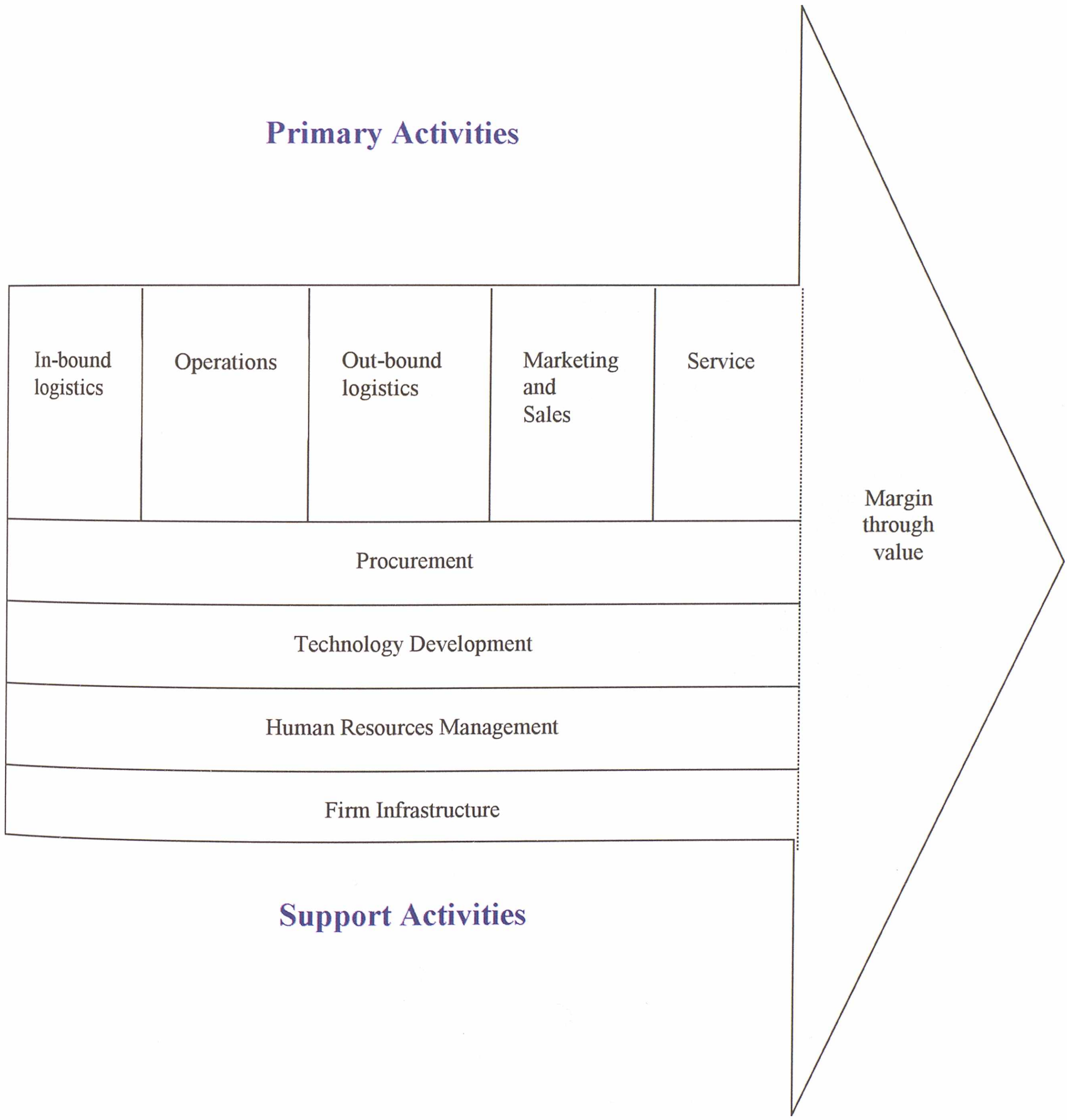
R27. *The green relationship*: The environmental and health issues have slowly but gradually increased in importance and are creating a new type of customer relationship through legislation, the voice of opinion leading consumers, changing behaviour of consumers and an extension of the customer-supplier relationship to encompass a recycling process.

R28. *The knowledge relationship*:
Knowledge can be the most strategic and critical resource and "knowledge acquisition" is often the rationale for alliances.

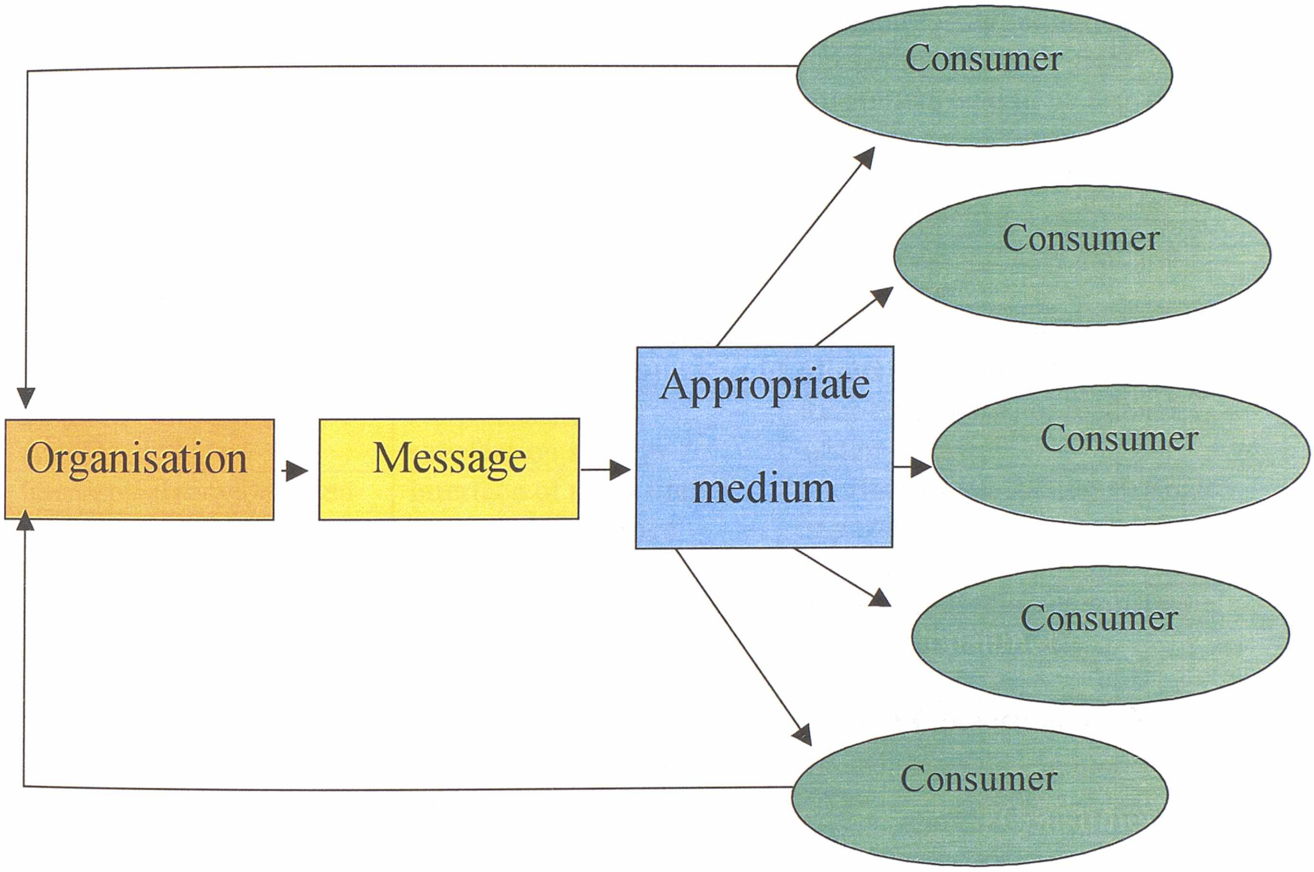
R29. *The mass media relationship*:
The media can be supportive or damaging to the marketing. The way of handling the media relationships is often crucial for success or failure.

R30. *The monopoly relationship: the customer or supplier as prisoners*:
When competition is inhibited, the customer may be at the mercy of the provider - or the other way around. One of them becomes a prisoner.

Appendix F: Porter's Value Chain
(Jobber, 1998:505)



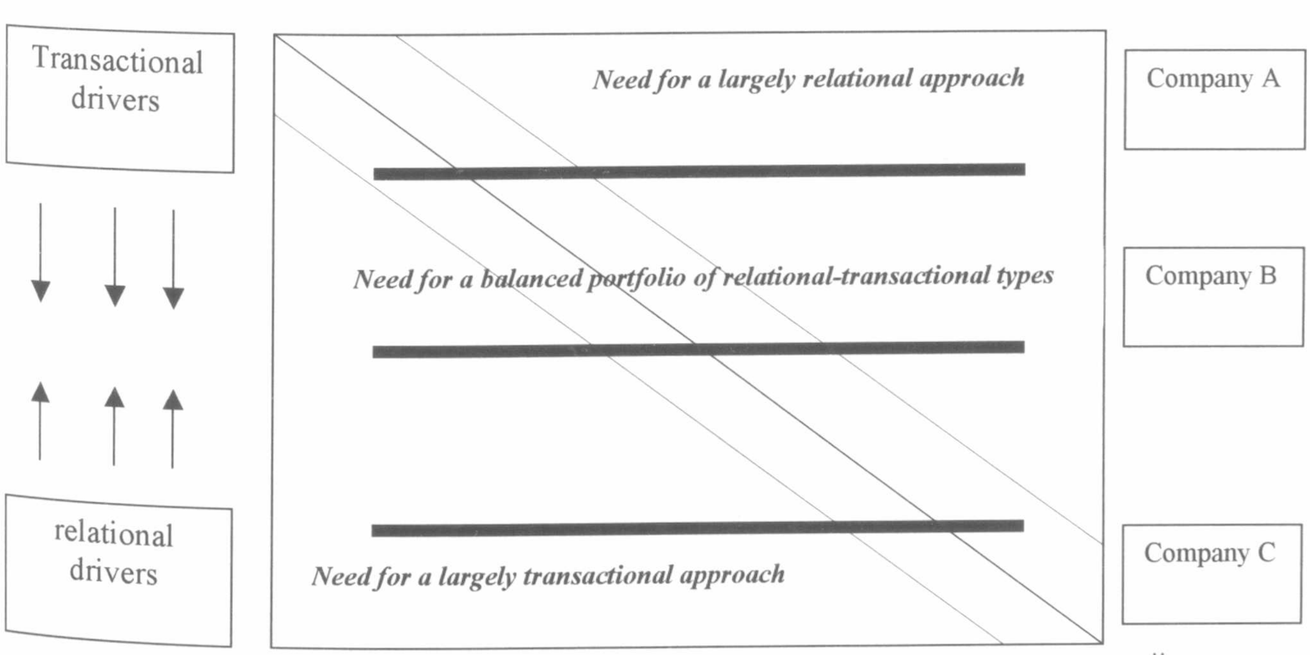
Appendix G: The Traditional/ Classic Communications Model
(Solomon et al., 2002:158)



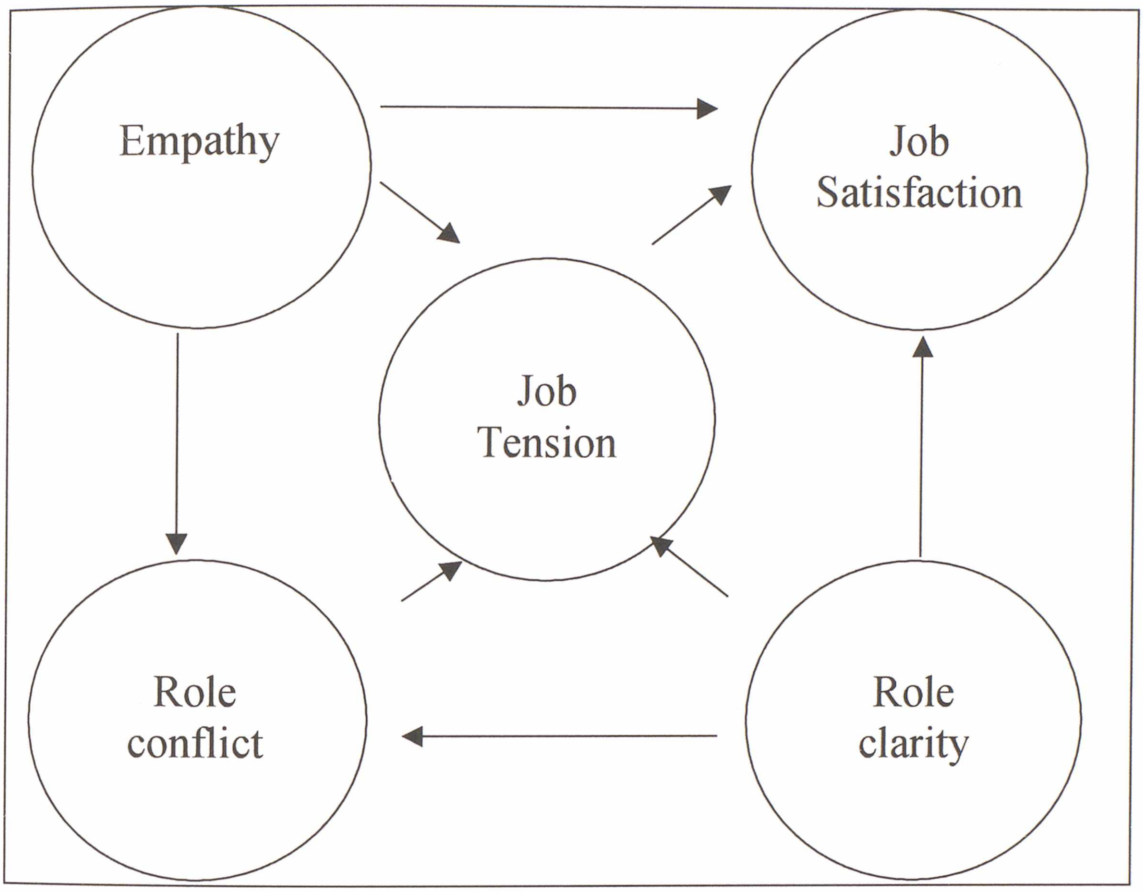
Appendix H: Grönroos's Marketing Strategy Continuum
(Grönroos, 1994a:11)

The strategy continuum	Transaction	Relationship
Time perspective	Short-term focus	Long-term focus
Dominating marketing function	Marketing Mix	Interactive marketing(supported by marketing mix activities)
Price elasticity	Customers tend to be more sensitive to price	Customers tend to be less sensitive to price
Dominating quality dimension	Quality of output (technical quality dimension) is dominating	Quality of interactions (functional quality dimension) grows in importance and may become dominating
Measurement of customer satisfaction	Monitoring market share (indirect approach)	Managing the customer base (direct approach)
Customer information system	Ad-hoc customer satisfaction surveys	Real-time customer feedback system
Interdependency between marketing, operations and personnel	Interface of no or limited strategic importance	Interface of substantial strategic importance
The role of internal marketing	Internal marketing of no or limited importance to success	Internal marketing of substantial importance to success
The product continuum	Consumer packaged goods →← Consumer durables →← Industrial goods →← Services	

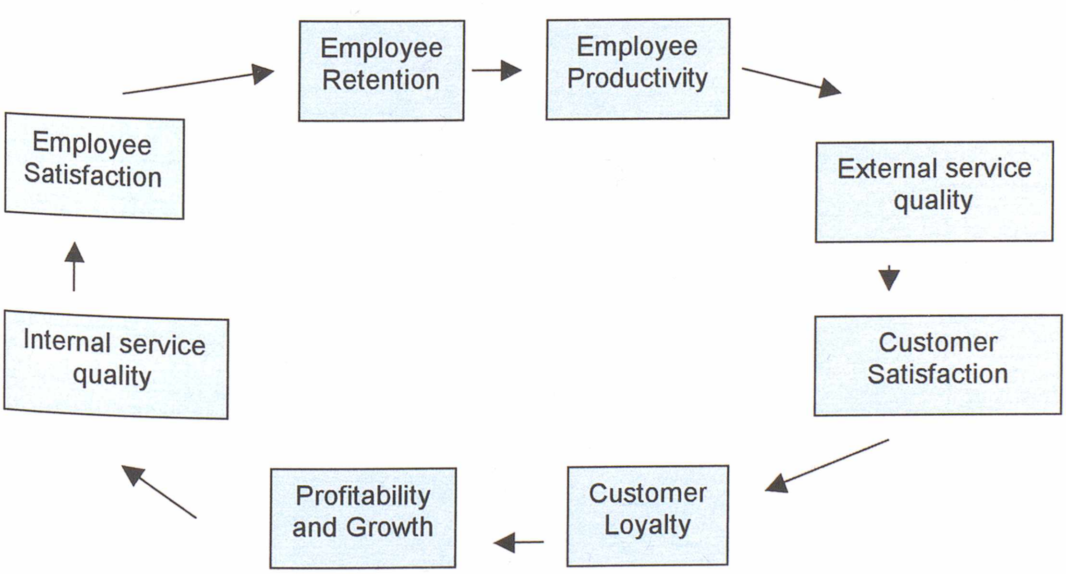
Appendix I: Egan's Transactional-Relational Continuum
(Egan, 2001:377)



Appendix J: The Structural Model tested by Rogers et al.
(Rogers et al.,1994:18)



Appendix K: The Creation of the Virtuous Circle
(Reichheld et al., 2000)



Appendix L: Contrasting Transaction Marketing and Relationship Marketing
(Christopher et al., 1991)

Transaction Marketing	Relationship Marketing
• Focus on single sale	• Focus on customer retention
• Orientation on product features	• Orientation on product benefits
• Short time-scale	• Long time-scale
• Little emphasis on customer service	• High customer service
• Limited customer commitment	• High customer commitment
• Moderate customer contact	• High customer contact
• Quality is the primary concern of production	• Quality is the concern of all

Appendix M: The 28 definitions of Relationship Marketing uncovered by Harker

(Harker, 1999)

RM is an emergent disciplinary framework for *creating*, *developing* and *sustaining exchanges* of value between the parties involved, whereby exchange relationships evolve to provide *continuous* and *stable links* in the supply chain, (Ballantyne, 1997 in Mattsson, 1997).

... *attracting, maintaining* and - in multi-service organisations *enhancing* customer relationships (Berry, 1983 in Payne and Rickard, 1993; Robicheaux and Coleman, 1994; Hunt, 1997; Mattsson, 1997; Payne and Frow, 1997).

RM concerns *attracting, developing,* and *retaining* customer *relations* (Berry and Parasuraman, 1991 in Hunt, 1997).

Consumer RM seeks to *establish long-term, committed, trusting* and *co-operative* relationships with customers, characterised by *openness,* genuine *concern* for the delivery of high-quality goods and services, responsiveness to customer suggestions, *fair dealing,* and (crucially) the willingness to sacrifice short-term advantage for long-term gain. Suppliers attempt to create and *strengthen* lasting bonds with their customers; they shift from attempting to maximise profits on each individual transaction towards the establishment of solid, dependable and, above all, *permanent* relationships with the people they serve (Bennett, 1996 A).

Consumer RM is the organisational *development* and *maintenance* of mutually rewarding relationships with customers achieved via the *total integration* of information and quality management systems, service support, business strategy and organisational mission in order to delight the customer and secure *profitable lasting* business (Bennett, 1996 B).

... fundamentally, RM involves the total fulfilment of all the *promises* given by the supplying organisation, the development of *commitment* and *trust* ... and the establishment (where possible) of personal contacts and *bonds* between the customer and the firm's representatives; the eventual emergence of feelings within each party of mutual *obligation,* of having common goals, and of *involvement* with and *empathy* for the other side (Bennett, 1996 C).

Relationship marketing has as its concern the dual focus of *getting* and *keeping* customers (Christopher *et al.,* 1991 in Daskou, 1997).

... relates marketing to the *development* of *long-term* relationships with customers and other parties ... (Grönroos, 1990).

... *establishing* a relationship involves giving *promises, maintaining* a relationship is based on fulfilment of promises; and, finally, *enhancing* a relationship means that a new set of promises is given with the fulfilment of earlier promises as a prerequisite (Grönroos, 1990).

Relationship marketing is to *establish, nurture* and *enhance* ... relationships with customers and other partners, at a *profit,* so that the objective of the partners involved are met. This is achieved by a *mutual exchange* and fulfilment of *promises* (Grönroos, 1996).

Marketing is to *establish, maintain* and *enhance* relationships with customers and other parties at a *profit* so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfilment of *promises* (Bennett, 1996; Brodie *et al.*, 1997; Grönroos, 1989; 1990; 1994; 1997 in Ravald and Grönroos, 1996; Gummesson, 1994; Hunt, 1997; Robicheaux and Coleman, 1994; Storbacka, 1997; Takala and Uusitalo, 1996).

RM is to identify and *establish, maintain* and *enhance* and when necessary also to *terminate* relationships with customers and other stakeholders, at a *profit,* so that the objectives of all parties are met, and that this is done by a *mutual exchange* and fulfilment of *promises* (Grönroos, 1994; in Mattsson, 1997, *Please note that while Mattsson refers to the 1994 paper by Grönroos, that paper does not contain this definition, but the one more commonly cited - Grönroos (1989-1997). While the origins of this definition are not certain, it is most likely to originate from Grönroos (1995).*

... marketing can be viewed as the *building, maintenance,* and *liquidation* of *networks* and *interactive* relationships between the supplier and the customer, often with *long-term* implications. As a consequence marketing becomes first and foremost relationship marketing (Gummesson, 1990).

RM emphasises a *long-term interactive* relationship between the provider and the customer, *and long-term profitability* (Gummesson, 1994).

Relationship marketing is marketing seen as *relationships, networks and interaction* (Gummesson, 1994; 1997 in Mattsson, 1997).

... all activities by the firm to *build, maintain* and *develop* customer *relations* (Hammarkvist *et al.*, 1982 in Gummesson, 1987).

... they want to *build* and *maintain lasting* - and *profitable*-relationships with their customers (Jackson, 1985).

... is not directly aimed at immediate transactions but is based on *building, supporting* and *extending* customer relationships (Matthyssens and Van den Bulte, 1994 in Christy *et al.*, 1996).

Relationship marketing refers to all marketing activities directed towards *establishing, developing* and *maintaining* successful relational *exchanges* (Bennett, 1996 in Morgan and Hunt, 1994 Christy *et al.*, 1996; Hunt, 1997; Mattsson, 1997).

RM involves the *identification,* specification, *initiation, maintenance* and (where appropriate) *dissolution of long-term* relationships with key customers and other parties, through mutual *exchange,* fulfilment of *promises* and adherence to relationship norms in order to satisfy the objectives and *enhance* the experience of the parties concerned (O'Malley *et al.*, 1997).

RM is the process of *co-operating* with customers to improve marketing *productivity* through *efficiency* and *effectiveness* (Paravatiyar, 1996 in Mattsson, 1997).

the process whereby the seller and the buyer *join* in a strong personal, professional, and mutually *profitable* relationship *over time* (Pathmarajah, 1993 in Chan and McDermott, 1995).

The core of RM is relations, a *maintenance* of relations between the company and the actors in its micro-environment ... The idea is first and foremost to *create* customer *loyalty* so that a *stable, mutually profitable* and *long-term* relationship is *enhanced* (Ravald and Grönroos, 1996).

... the understanding, explanation and management of the *ongoing collaborative* business relationship between suppliers and customers (Cravens and Piercy, 1994; Sheth, 1994 in Gummesson, 1994; Hunt, 1997).

establishing, strengthening, and *developing* customer relations was stressed. The focus was on the *profitable commercialisation* of customer relationships, and the pursuit of individual and organisational objectives. In particular, *long-term* and *enduring* relationships with customers were stressed (Takala and Uusitalo, 1996).

RM is the process of planning, *developing* and *nurturing* a Relationship climate that will promote a *dialogue* between a firm and its customers which aims to imbue an understanding, *confidence* and *respect* of each others' capabilities and concerns when enacting their role in the market place and in society (Tzokas and Saren, 1996 in Daskou, 1997).

Note:
Although Harker stipulates that the two definitions below were discovered too late to be included in his study, these are however included in the list of definitions uncovered by the author as they are deemed to be pertinent to this research project. They are:

...Relationship marketing is concerned with the development and maintenance of mutually beneficial relationships with strategically significant markets (Buttle, 1996).

...the process whereby a firm builds long term alliances with both prospective and current customers so that both buyer and seller work towards a common set of specified goals (Evans and Laskin, 1994).

Appendix N: Categorisation of the 28 definitions of RM as uncovered by Harker

(Harker, 1999)

The customer is king but ... a passive agent

RM concerns *attracting, developing,* and *retaining* customer *relations* (Berry and Parasuraman, 1991 in Hunt, 1997).

... all activities by the firm to *build, maintain* and *develop* customer *relations* (Hammarkvist *et al.,* 1982 in Gummesson, 1987).

Relationship marketing has as its concern the dual focus of *getting* and *keeping* customers (Christopher *et al.*, 1991 in Daskou, 1997).

... *attracting, maintaining* and - in multi-service organisations *enhancing* customer relationships (Berry, 1983 in Payne and Rickard, 1993; Robicheaux and Coleman, 1994; Hunt, 1997; Mattsson, 1997; Payne and Frow, 1997).

... they want to *build* and *maintain lasting* - and *profitable*-relationships with their customers (Jackson, 1985).

... is not directly aimed at immediate transactions but is based on *building, supporting* and *extending* customer relationships (Matthyssens and Van den Bulte, 1994 in Christy *et al.,* 1996).

The customer: The participant

Consumer RM seeks to *establish long-term, committed, trusting* and *co-operative* relationships with customers, characterised by *openness,* genuine *concern* for the delivery of high-quality goods and services, responsiveness to customer suggestions, *fair dealing,* and (crucially) the willingness to sacrifice short-term advantage for long-term gain. Suppliers attempt to create and *strengthen* lasting bonds with their customers; they shift from attempting to maximise profits on each individual transaction towards the establishment of solid, dependable and, above all, *permanent* relationships with the people they serve (Bennett, 1996a).

RM is the process of planning, *developing* and *nurturing* a Relationship climate that will promote a *dialogue* between a firm and its customers which aims to imbue an understanding, *confidence* and *respect* of each others' capabilities and concerns when enacting their role in the market place and in society (Tzokas and Saren, 1996 in Daskou, 1997).

the process whereby the seller and the buyer *join* in a strong personal, professional, and mutually *profitable* relationship *over time* (Pathmarajah, 1993 in Chan and McDermott, 1995).

... the understanding, explanation and management of the *ongoing collaborative* business relationship between suppliers and customers (Cravens and Piercy, 1994; Sheth, 1994 in Gummesson, 1994; Hunt, 1997).

...the process whereby a firm builds long term alliances with both prospective and current customers so that both buyer and seller work towards a common set of specified goals (Evans and Laskin, 1994).

Consumer RM is the organisational *development* and *maintenance* of mutually rewarding relationships with customers achieved via the *total integration* of information and quality management systems, service support, business strategy and organisational mission in order to delight the customer and secure *profitable lasting* business (Bennett, 1996 b).

establishing, strengthening, and *developing* customer relations was stressed. The focus was on the *profitable commercialisation* of customer relationships, and the pursuit of individual and organisational objectives. In particular, *long-term* and *enduring* relationships with customers were stressed (Takala and Uusitalo, 1996).

RM emphasises a *long-term interactive* relationship between the provider and the customer, *and long-term profitability* (Gummesson, 1994).

... marketing can be viewed as the *building, maintenance,* and *liquidation* of *networks* and *interactive* relationships between the supplier and the customer, often with *long-term* implications. As a consequence marketing becomes first and foremost relationship marketing (Gummesson, 1990).

RM is the process of *co-operating* with customers to improve marketing *productivity* through *efficiency* and *effectiveness* (Paravatiyar, 1996 in Mattsson, 1997).

The holistic all-inclusive approach

...Relationship marketing is concerned with the development and maintenance of mutually beneficial relationships with strategically significant markets (Buttle, 1996).

Relationship marketing is marketing seen as *relationships, networks and interaction* (Gummesson, 1994; 1997 in Mattsson, 1997).

Relationship marketing refers to all marketing activities directed towards *establishing, developing* and *maintaining* successful relational *exchanges* (Bennett, 1996 in Morgan and Hunt, 1994 Christy *et al.,* 1996; Hunt, 1997; Mattsson, 1997).

... relates marketing to the *development* of *long-term* relationships with customers and other parties ... (Grönroos, 1990).

... fundamentally, RM involves the total fulfilment of all the *promises* given by the supplying organisation, the development of *commitment* and *trust* ... and the establishment (where possible) of personal contacts and *bonds* between the customer and the firm's representatives; the eventual emergence of feelings within each party of mutual *obligation,* of having common goals, and of *involvement* with and *empathy* for the other side (Bennett, 1996 c).

RM involves the *identification,* specification, *initiation, maintenance* and (where appropriate) *dissolution of long-term* relationships with key customers and other parties, through mutual *exchange,* fulfilment of *promises* and adherence to relationship norms in order to satisfy the objectives and *enhance* the experience of the parties concerned (O'Malley *et al.*, 1997).

RM is an emergent disciplinary framework for *creating*, *developing* and *sustaining exchanges* of value between the parties involved, whereby exchange relationships evolve to provide *continuous* and *stable links* in the supply chain (Ballantyne, 1997 in Mattsson, 1997).

Marketing is to *establish, maintain* and *enhance* relationships with customers and other parties at a *profit* so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfilment of *promises* (Bennett, 1996; Brodie *et al.*, 1997; Grönroos, 1989; 1990; 1994; 1997 in Ravald and Grönroos, 1996; Gummesson, 1994; Hunt, 1997; Robicheaux and Coleman, 1994; Storbacka, 1997; Takala and Uusitalo, 1996).

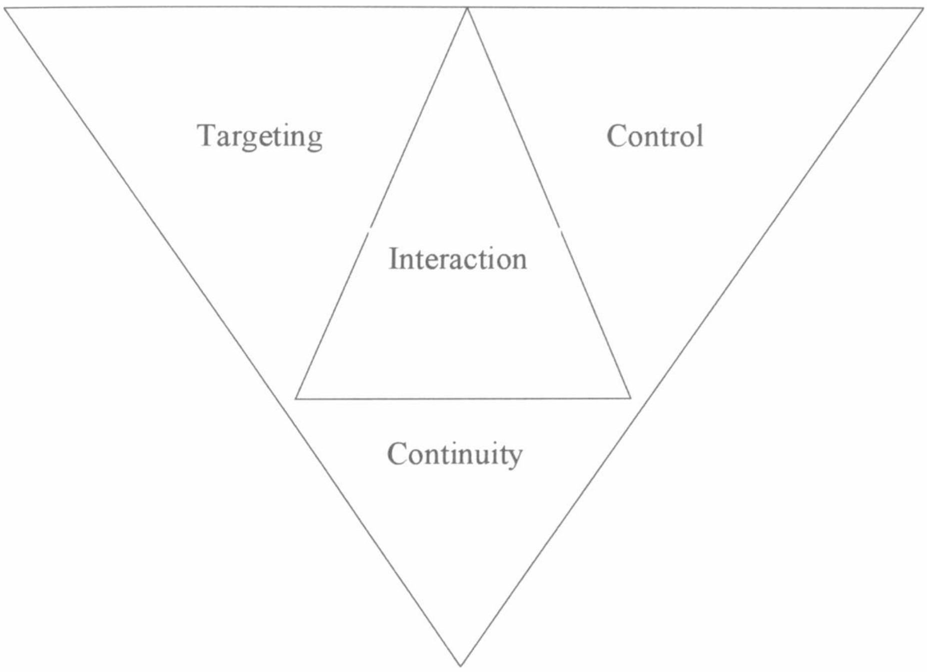
... *establishing* a relationship involves giving *promises, maintaining* a relationship is based on fulfilment of promises; and, finally, *enhancing* a relationship means that a new set of promises is given with the fulfilment of earlier promises as a prerequisite (Grönroos, 1990).

RM is to identify and *establish, maintain* and *enhance* and when necessary also to *terminate* relationships with customers and other stakeholders, at a *profit,* so that the objectives of all parties are met, and that this is done by a *mutual exchange* and fulfilment of *promises* (Grönroos, 1994; in Mattsson, 1997, *Please note that while Mattsson refers to the 1994 paper by Grönroos, that paper does not contain this definition, but the one more commonly cited - Grönroos (1989-1997). While the origins of this definition are not certain, it is most likely to originate from Grönroos (1995).*

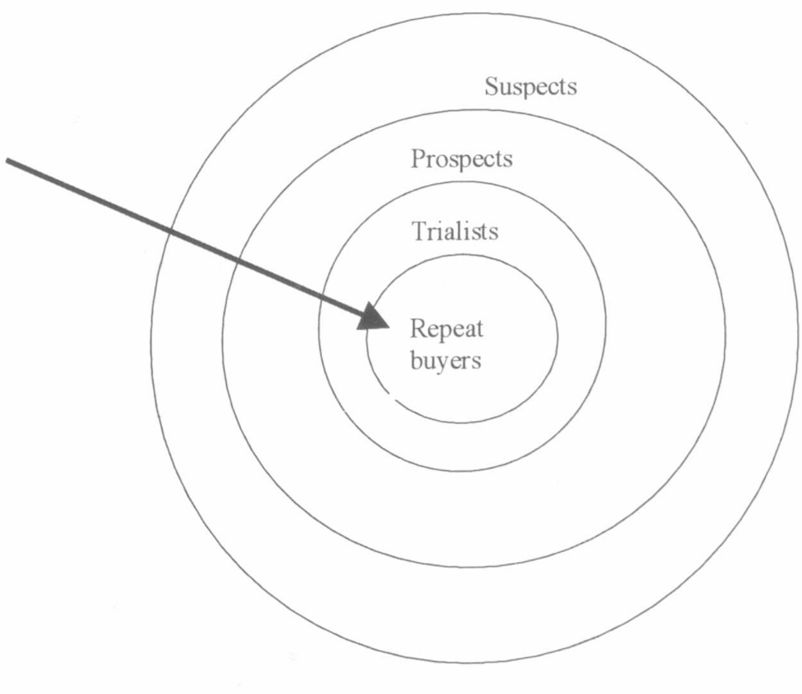
Relationship marketing is to *establish, nurture* and *enhance* ... relationships with customers and other partners, at a *profit,* so that the objective of the partners involved are met. This is achieved by a *mutual exchange* and fulfilment of *promises* (Grönroos, 1996).

The core of RM is relations, a *maintenance* of relations between the company and the actors in its micro-environment ... The idea is first and foremost to *create* customer *loyalty* so that a *stable, mutually profitable* and *long-term* relationship is *enhanced* (Ravald and Grönroos, 1996).

Appendix O: The Direct Marketing Mix
(The Institute of Direct Marketing, Introduction to Direct Marketing, p. 1-1-13)

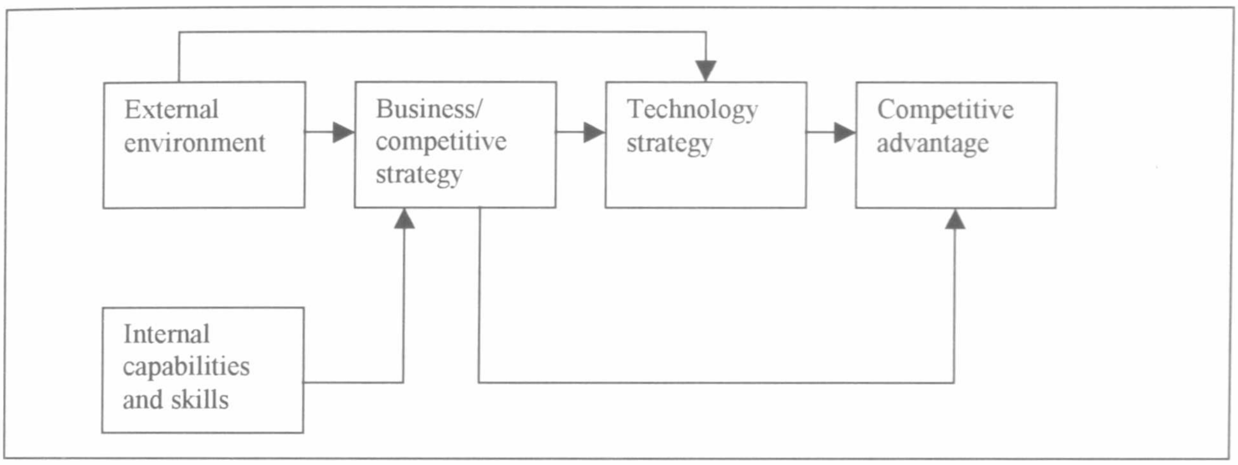


Appendix P: The Bull's Eye Model
(The Institute of Direct Marketing, Introduction to Direct Marketing, p. 1-1-05)

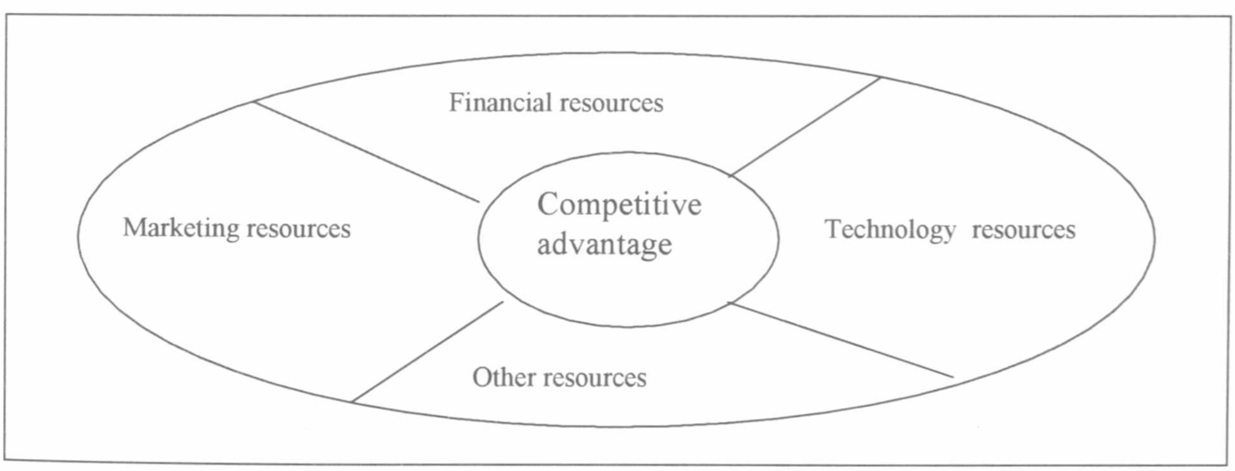


Appendix Q: Zahra et al. 's proposal of the perspectives, which have dominated thinking about the connection between competitive and technological strategies *(Zahra et al., 1999)*

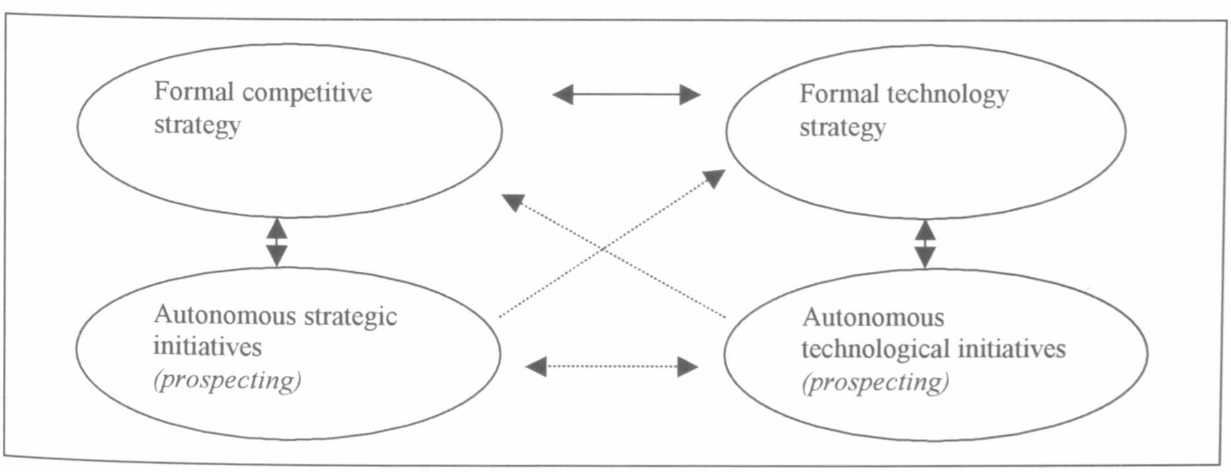
Perspective One: The Hierarchical View of Technology Strategy



Perspective Two: Technology as a component of Competitive Strategy



Perspective Three: A dynamic perspective on Technology – Strategy Links



Appendix R: Questionnaire used in Phase One

This questionnaire is part of a research study conducted by Diana Luck from the London Metropolitan University for a Phd on Customer Relationship Marketing within the Hotel Industry.

The aim of this survey is to find out the beliefs and attitudes of customers and employees about what Customer Relationship Marketing constitutes and signifies to them.

Hotel: ……………………………………………………

Date: ……………………………………………………

Respondent: Hotel Employee ☐1 Guest ☐2

PROFILE OF RESPONDENTS

1. Gender: Male ☐1 Female ☐2

2. Age Group: Under 25 ☐1 25-34 ☐2 35-44 ☐3 45-54 ☐4 55-64 ☐5 65 or over ☐6

3. Status: Single ☐1 Married/ Live together, with children ☐2 Single, with children ☐3 Married/ Live together, no children ☐4 Other? ……………………………………………………………………

GUEST

4. What is your level of employment?
   Manual worker ☐1 Skilled worker ☐2
   Administrative ☐3 Professional/Managerial ☐4
   Retired ☐5 Unemployed ☐6

5. What is the purpose for this visit to the hotel?
   Leisure ☐1 Business ☐2

6. On average how many nights per year do you stay in a hotel? *(please indicate separately)*
   Business: 1-5☐1 5-10☐2 10-15☐3 15-20☐4 >20☐5
   Leisure: 1-5☐1 5-10☐2 10-15☐3 15-20☐4 >20☐5

HOTEL EMPLOYEE

7. What is your level of employment?
   Team member ☐1 Supervisor/Team leader ☐2
   Manager ☐3 Senior Manager ☐4
   General Manager ☐5 Assistant Manager ☐6

8. How long have you been working in the hotel industry (in the UK and outside the UK combined)?
……………………………………………………………………………………

9. In which department do you currently work?
……………………………………………………………………………………

BELIEFS

10. In addition to their general marketing activities, hotel companies are increasingly investing in the specific area of **Customer Relationship Marketing**.
Do you believe that the following activities are part of **Customer Relationship Marketing?**

Collect feedback from guests about their experiences	*True* ☐1	*False* ☐2
Build relationships inside the hotel organisation	*True* ☐1	*False* ☐2
Use information collected on guests for specific purposes	*True* ☐1	*False* ☐2
Attempts to increase customer loyalty	*True* ☐1	*False* ☐2
Build relationships with businesses the hotel works with (i.e. suppliers)	*True* ☐1	*False* ☐2
Respond to feedback from guests	*True* ☐1	*False* ☐2
Seek new customers	*True* ☐1	*False* ☐2
Keep up to date with technology to improve processes and operations	*True* ☐1	*False* ☐2
Contact guests to try to sell them something (i.e. Direct Marketing)	*True* ☐1	*False* ☐2
Increase co-operation with other businesses (i.e. competitors)	*True* ☐1	*False* ☐2
Increase personalisation of service	*True* ☐1	*False* ☐2
Use various hotel departments to increase customer satisfaction	*True* ☐1	*False* ☐2
Short-term promotions	*True* ☐1	*False* ☐2
Improve the website to help encourage interactivity	*True* ☐1	*False* ☐2
Focused staff training	*True* ☐1	*False* ☐2
Provide value in terms on the quality of hotel facilities	*True* ☐1	*False* ☐2
Look after hotel employees	*True* ☐1	*False* ☐2
Provide value in terms of service	*True* ☐1	*False* ☐2
Focus on meeting the needs of the main type of customers	*True* ☐1	*False* ☐2
Make the hotel different in terms of service and facilities	*True* ☐1	*False* ☐2
Encourage dialogue between guests and the hotel company or hotel	*True* ☐1	*False* ☐2

11. Please select which option you believe best relates to the state of **Customer Relationship Marketing** in the hotel industry? *(please select 1 option only)*
The customer is king. But, hotel companies make all the decisions. ☐1
The customer is king. Therefore, hotel companies and customers participate in the processes. ☐2
All the stakeholders, namely the hotel company, employees and customers, are involved. ☐3

12. Do you think that employees play a part in **Customer Relationship Marketing**?
Yes ☐1 No ☐2

13. Please rank the following reasons in line with why you think hotel companies engage in **Customer Relationship Marketing** *(rank 1 as the most important and 3 as the least important)*
To increase profit [ ]
To increase customer loyalty [ ]
To differentiate themselves in terms of the services they offer [ ]

14. Who do you think has the most influence on **Customer Relationship Marketing**? *(select 1 option)*
The guests ☐1
The hotel company ☐2
The competitors of the hotel company or specific hotel ☐3
The hotel employees ☐4

ATTITUDES

15. How do you think the following factors would influence your interest in **Customer Relationship Marketing** programmes?

	Strongly	*Moderately*	*Not at all*
Special offers	□1	□2	□3
Convenient hotel location(s)	□1	□2	□3
Service offered by the employees	□1	□2	□3
Reputation and name of the company or specific hotel	□1	□2	□3
Prior usage and satisfaction	□1	□2	□3
Customer loyalty and recognition schemes	□1	□2	□3
Quality of the hotel facilities	□1	□2	□3
Friendliness of the hotel employees	□1	□2	□3
Central reservations and online booking systems	□1	□2	□3
Consistent accommodation standards	□1	□2	□3

16. Who do you think benefits from **Customer Relationship Marketing**? *(✓ all the potential options)*

The customers	□1
The hotel employees	□2
The hotel company	□3

17. Which of the options you selected in Question 16 above, do you think benefits the most?

....

18. Please rate the importance of the following factors in terms of how you think they are relevant to the success of **Customer Relationship Marketing**? *(✓ only 1 option for each factor)*

	Very important	*Important*	*Slightly important*	*Not at all*
Long-term outlook	□1	□2	□3	□4
Employee satisfaction	□1	□2	□3	□4
Customers understanding the benefits	□1	□2	□3	□4
Technology	□1	□2	□3	□4
Commitment of senior management	□1	□2	□3	□4
Employee retention	□1	□2	□3	□4
Monitoring and refining of processes	□1	□2	□3	□4
Customer satisfaction	□1	□2	□3	□4

19. In your opinion, what are 3 important factors, which hotel companies should concentrate on with regard to **Customer Relationship Marketing**?

1. ....

2. ....

3. ....

20. If you had to choose only 1 of the 3 factors you mentioned above in Question 19, which one would you consider to be the most important?

....

Thank you for your help

Appendix S: The instrument used during the Repertory Interviews

SPECIFICS OF THE INTERVIEW

Hotel: ....

Date: ....

Respondent: Employee ☐1 Guest ☐2

PROFILE OF THE RESPONDENTS

1. Gender: Male ☐1 Female ☐2

2. Age Group: Under 25 ☐1 25-34 ☐2 35-44 ☐3
45-54 ☐4 55-64 ☐5 65 or over ☐6

3. Status: Single ☐1 Married/ Live together, with children ☐2
Single with children ☐3 Married/ Live together, no children ☐4
....

GUEST

4. What is your level of employment?
Manual worker ☐1 Skilled worker ☐2
Administrative ☐3 Professional/Managerial ☐4
Retired ☐5 Unemployed ☐6
....

5. What is the purpose for this visit to the hotel?
Leisure ☐1 Business ☐2

6. On average how many nights per year do you stay in a hotel?
(please indicate separately)
Business: 0☐1 1-10☐2 11-20☐3 21-30☐4 31-40☐5 41-50☐6 >50☐7
Leisure: 0☐1 1-10☐2 11-20☐3 21-30☐4 31-40☐5 41-50☐6 >50☐7

HOTEL EMPLOYEE

7. What is your level of employment?
Team member ☐1 Supervisor/Team leader ☐2
Manager ☐3 Senior Manager ☐4
General Manager ☐5 Assistant Manager ☐6
....

8. How long have you been working in the hotel industry (in the UK and internationally)?
< 3 months ☐1 3 to 6 months ☐2 6 months to 1 year ☐3 1 to 2 years ☐4
2 to 5 years ☐5 5 to 10 years ☐6 10 to 20 years ☐7 more than 20 years ☐8

9. In which department do you currently work?
F&B ☐1 Front Office ☐2 Housekeeping ☐3 Maintenance ☐4 Sales ☐5
Admin/ Accounts ☐6 Leisure ☐7 Senior Mgt. ☐8 Other *(Security,Kitchen,HR)* ☐9

Thank you for your help

CONSTRUCT

	O			O		O		O			O	O		O	Customer Relationship Marketing
O												O			Customer Satisfaction
				O			O						O		Customer Service
		O						O					O		Quality of hotel facilities/ environment
	O					O								O	Employee Satisfaction
O					O				O		O				Value for money
														O	Solicit & respond to customer feedback
O										O					Expertise of employees
	O		O		O										Customer focus
		O	O				O	O			O				Consistency of standards
							O		O	O		O			Promotions & Special Offers
			O			O				O			O		Customer Loyalty
		O		O	O				O						Profit

CONTRAST

Appendix T: List of hotel chains with hotels in London

Stage 1 of Sampling Procedure: Selection of hotel companies with hotels in London

1. Accor (UK) Ltd *(2 Sofitel, 8 Novotel, 1 Mercure, 12 IBIS, 2 Etap, 2 Formula 1)*
2. BDL Management Ltd *(5 hotels in London)*
3. Beales Hotels *(1 hotel in London)*
4. Britannia Hotels Ltd *(2 hotels in London)* (bought over Grand Hotel Group Ltd)
5. Choice Hotels Europe Plc *(9 Comfort Inn, 9 Quality, 4 Comfort hotels inLondon)*
6. Corus Hotels *(3 hotels in London)*
7. De Vere Hotels *(1 hotel in London)*
8. Fuller Smith and Turner plc *(4 hotels in London)*
9. Goring Hotel Ltd *(1 hotel in London)*
10. Gresham Hotel Group plc *(1 hotel in London)*
11. Harrington Group *(1 hotel in London)*
12. Hilton UK & Ireland *(18 hotels in London)*
13. Hyatt Hotels and Resorts *(1 hotel in London)*
14. Imperial London Hotels *(6 hotels in London)*
15. Intercontinental Hotels Group *(4 Crowne Plaza, 14 Holiday Inn, 1 Intercontinental, 14 Express Holiday Inns in London)*
16. Jarvis Hotels Ltd *(4 hotels in London)*
17. Jurys Doyle Hotel Group plc *(6 hotels in London)*
18. Le Meridien Hotels & Resorts Ltd *(3 hotels in London)*
19. Maybourne Hotel Group *(3 hotels in London)*
20. Menzies Hotels plc *(1 hotel in London)*
21. Millennium and Copthorne Hotels plc *(5 hotels in London)*
22. New World Hospitality Ltd *(1 hotel in London)*
23. Premier Travel Inn *(18 hotels in London)*
24. Queens Moat Houses plc *(1 hotel listed as being in London/ Gatwick)*
25. Radisson Edwardian Hotels *(13 hotels in London)*
26. Ramada International *(11Marriott, 3Rennaissance hotels in London)*
27. Rocco Forte Hotels *(1 hotel in London)*
28. Sarova Hotels *(1 hotel in London)*
29. Shire Hotels Ltd *(1 hotel in London)*
30. Starcrown Hotels Group *(2 hotels in London)*
31. Starwood Hotels and Resorts (incl. Sheraton Hotels) *(6 hotels in London)*
32. Thistle Hotels Ltd *(20 hotels in London)*
33. Vienna Group *(3 hotels in London)*

Appendix U: Stage 2 and 3 of Sampling Procedure for the fieldwork

Selection of hotel companies with more than 5 hotels in London:

1. Accor (UK) Ltd
   (Sofitel: 2, Novotel: 8, Mercure: 1, IBIS: 12, Etap: 2, Formula 1: 2) *
2. BDL Management Ltd *(5 hotels)*
3. Choice Hotels Europe plc
   (Comfort Inn: 9, Quality Hotel: 9, Comfort Hotel: 4) *
4. Hilton UK & Ireland *(18 hotels)*
5. Imperial London Hotels (6 hotels) *
6. Intercontinental Hotels Group (Crowne Plaza: 4, Holiday Inn: 14, Intercontinental: 1, Express Holiday Inn: 14)
7. Jurys Doyle Hotel Group plc (6 hotels) *
8. Millennium and Copthorne Hotels plc (5 hotels)
9. Premier Travel Inn (18 hotels) *
10. Radisson Edwardian Hotels (13 hotels)
11. Ramada International (Marriott: 11, Rennaissance: 3) *
12. Starwood Hotels and Resorts (incl. Sheraton Hotels) (6 hotels)
13. Thistle Hotels Ltd (20 hotels) *

(The * indicates the hotel chains included in the final sample)

Final Sampled Hotels:

1. Accor (UK) Ltd
   (Sofitel: 2, Novotel: 8, Mercure: 1, IBIS: 12, Etap: 2, Formula 1: 2 hotels)
   (range of hotel types: Formula 1 and Etap: motel type, IBIS: High end budget hotel, Mercure: similar to 3 star, Novotel: four star, Sofitel: 5 star)
2. Choice Hotels Europe plc
   (Comfort Inn: 9, Quality Hotel: 9, Comfort Hotel: 4)
   (range of value hotels: Comfort Inn: premium economy, Quality: mid-market hotel sector)
3. Imperial London Hotels
4. Jurys Doyle Hotel Group plc
5. Premier Travel Inn *(18 hotels) (value hotels/ budget hotels)*
6. Ramada International (Marriott: 11, Rennaissance: 3) *(mostly 4 star hotels)*
7. Thistle Hotels Ltd *(20 hotels) (3-4 star full service hotels)*

Appendix V: Questionnaire Used in the Pilot Study

HOTEL: Putney Bridge Premier Travel Inn   Guest ☐ / Hotel Employee ☐

Demographics (Profile of respondents)

1. Gender: Male ☐ Female ☐

2. Age: Under 25 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ 65 & over ☐

3. Status: Single ☐ Married/ Living together with children ☐
   Married/ Living together with no children ☐
   Other, please specify:...

4. What is your highest qualification?

Secondary (GCSE)	☐	Tertiary:	Diploma/ Certificate	☐
Further education (A levels)	☐		Degree	☐
Professional courses (NVQ)	☐		Postgraduate	☐

   Other, please specify: ... ...

5. Employment

   Hotel Employee: Job Title: ....

   - Team member ☐
   - Supervisor/ Team leader ☐
   - Manager (HOD) ☐
   - Senior Manager (Deputy GM/ Ops Mgr) ☐
   - General Manager/ Leader of my organisation ☐

   Guest:

   - Manual worker ☐
   - Administrative/ Clerical ☐
   - Professional/ Managerial ☐
   - Retired ☐
   - Unemployed ☐

   Other, please specify: ... ...

Guest:

6. What is the purpose for your visit? Leisure ☐ or Business ☐

7. On average how many nights per year do you stay in a hotel?
   (Please indicate business and leisure separately)

   Business : 1-5 ☐ 5-10 ☐ 10-15 ☐ 15-20 ☐ More than 20 ☐

   Leisure: 1-5 ☐ 5-10 ☐ 10-15 ☐ 15-20 ☐ More than 20 ☐

Hotel Employee:

8. How long have you been working in this hotel? ....

9. How long have you been working in the hotel industry? ....

Beliefs

10. If I say "Customer Relationship Marketing" to you, what do you think it is?
    - Customer loyalty schemes ☐
    - Something hotel companies do to forge closer relationships with customers ☐
    - Response of hotels to customers' demands and needs ☐
    - A means for hotel companies to increase their sales to guests ☐
    - Staff empowerment ☐
    - Internal relationships within an organisation ☐
    - Retaining existing customers ☐
    - Processes for effective control and increased success of operations ☐
    - Channel relationships between the various businesses working together ☐
    - Acquiring new customers ☐
    - A strategic management tool ☐
    - Information Technology ☐
    - A means to enhance customer satisfaction ☐
    - Database Marketing ☐
    - A buzzword ☐
    - An active attempt to get to know and understand customers better ☐
    - Network relationships that connect multiple organisations (i.e. competitors) ☐
    - A short-term promotional campaign ☐
    - Direct Marketing ☐
    - Long-term mutually beneficial relationships between a guest and company ☐
    - Co-operation between various competing firms ☐
    - Individualisation of contact and offerings ☐
    - Looking after or nurturing of existing customers ☐
    - Customer Service ☐
    - Cross functional way to increase customer satisfaction and value ☐
    - *Other, please specify:* ……………………………………………………………….

11. Which of the following components of Customer Relationship Marketing do you think this hotel and hotel company actively focus on?
    a. The improvement of the website in terms of interactivity and online booking ☐
    b. Staff training ☐
    c. Value in terms of quality of the hotel facilities ☐
    d. The embracing of new technologies to improve processes and operations ☐
    e. Looking after their hotel employees ☐
    f. Value in terms of service ☐
    g. Trust of guests in the consistency of standards of service and facilities ☐
    h. The monitoring of feedback about guests' experiences and satisfaction ☐
    i. Value for money ☐
    j. Commitment of the hotel to their customers' needs ☐
    k. Consistent standards of service ☐
    l. Differentiation of the hotel company's facilities and services ☐
    m. The encouragement of dialogue between the hotel company and the guests ☐
    n. Consistency of processes and operations ☐

12. From the factors you selected above, which one do you think is the most prevalent at this hotel? ……………………………………………………………………………..

Attitudes

13. Please rate the factors below in line with how you think each would influence your or other customers' engagement in Customer Relationship Marketing programmes. *(1 indicates strongly and 4 for not all).*

Special offers	1...........2............3.........4
Convenient hotel location(s)	1...........2............3.........4
Brand name	1...........2............3.........4
Past experience and satisfaction	1...........2............3.........4
Service standards	1...........2............3.........4
Recognition of returning guests	1...........2............3.........4
Quality	1...........2............3.........4
Value for money	1...........2............3.........4
Trust in the hotel company	1...........2............3.........4
The hotel facilities	1...........2............3.........4
The hotel employees	1...........2............3.........4
Brand loyalty to the company	1...........2............3.........4
Central reservations & online booking	1...........2............3.........4
Responsiveness to customer demands	1...........2............3.........4
Consistent accommodation standards	1...........2............3.........4

Other, please specify: ....

14. Please rank the following stakeholders in the order you think each influences the driving of Customer Relationship Marketing (*1 most influential, 5 least influential)*

The individual hotel	...
The hotel company (Head Office or Support Office)	...
The guests	...
The hotel employees	...
The competitors	...

15. Please rank the reasons why you think hotels may engage in Customer Relationship Marketing? *(rank 1 as the most important reason and 6 as the least)*

To increase profit	...
To increase customer satisfaction	...
To increase employee satisfaction	...
To outperform competitors	...
To increase customer loyalty	...
To differentiate themselves	...

16. Who do you think is the main beneficiary of Customer Relationship Marketing? *(please select one option only)*

Hotel guests predominantly	☐
Hotel employees predominantly	☐
The hotel company predominantly	☐
Hotel guests and hotel employees	☐
Hotel guests and the hotel company	☐
Hotel employees and the hotel company	☐
Hotel guests, hotel employees and the hotel company	☐

17. Please select which option you think best relates to the state of Customer Relationship Marketing (CRM) within the hotel industry?

Whilst the customer is regarded as the most important stakeholder, the decisions as far as CRM is concerned are made solely by the hotel company ☐

The customer is regarded as the most important stakeholder As such decisions as far as CRM is concerned are made jointly by the hotel company and customers ☐

CRM is an all-inclusive holistic approach that includes all stakeholders, i.e. the hotel company, its management and employees as well as customers ☐

18. Please rate the importance of the following factors in terms of their relevance to the successful implementation of Customer Relationship Marketing within a hotel?

(1 indicates very important and 4 not important at all)

Staff training	1...........2............3.........4
Consistent, long-term outlook	1...........2............3.........4
Employee satisfaction	1...........2............3.........4
Keep up to date with technology	1...........2............3.........4
Customer perceived benefit	1...........2............3.........4
Commitment of senior management	1...........2............3.........4
Employee retention	1...........2............3.........4
Customer satisfaction	1...........2............3.........4
Making full use of the Internet channel	1...........2............3.........4
Understand and meet customer needs	1...........2............3.........4
Encouraging interaction with guests	1...........2............3.........4
Processes from customers' viewpoint	1...........2............3.........4

Any further comment? : ....

19. Are you a member or do you subscribe to any loyalty scheme with a particular hotel company?

Yes ☐ No ☐

If yes, please specify which one: ....

If yes, please specify why you are a member: ....

20. In your opinion, what are the three most important factors, which hotel companies should concentrate on with regard to Customer Relationship Marketing?

1. ....

2. ....

3. ....

Thank you for helping, but the questionnaire I have just administered was part of my pre-survey, the pilot study for a research on the state of Customer Relationship Marketing in the hotel industry. I am seeking to improve this questionnaire for the main study. It would thus greatly help me if you could suggest any ways in which I could improve this questionnaire, or are there any questions that you feel could be improved, or any areas you feel I have not covered.

Please be as candid as you want to be, because this will greatly help me in my main study.

Comment:

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Many thanks for your help

Appendix W: Grid used in the Pilot Study of Phase Two of the fieldwork

CONSTRUCT	Customer Relationship Marketing	Customer Satisfaction	Customer Service	Quality of hotel facilities & environment	Employee Satisfaction	Value for money	Soliciting & responding to customer feedback	Expertise of employees	Customer focus	Consistency of standards	Promotions & Special Offers	Technology	People	CONTRAST
	O				O		O							
			O	O								O		
	O	O									O			
	O					O				O				
								O			O	O		
						O					O		O	
	O			O						O				
			O							O	O			
	O				O							O		
						O			O				O	
	O		O										O	
									O	O		O		
				O						O			O	
	O				O				O					
		O				O		O						

Appendix X: Summary of results of testing of hypotheses of associations for questionnaires

(✓ indicates association; number ≡ Pearson chi square significance; * ≡ significance < 0.05 but less than minimum cells)

Variable	Respon -dent	Gender	Age	Status	GuestJob	Visit	Leisure Use	Business Use	Staff Job
Collect guest feedback								*	
Build relationships inside hotel	✓ .002		✓.001						
Use guest info for specific uses	*Testing of hypotheses of associations reveal that all variables are independent*								
Try to increase guest loyalty	*Testing of hypotheses of associations reveal that all variables are independent*								
Build relationships with businesses hotel works with	✓ .015	✓ .022							✓ .047
Respond to guest feedback	*Testing of hypotheses of associations reveal that all variables are independent*								
Seek new customers	✓ .028								
Update T to improve operations	*Testing of hypotheses of associations reveal that all variables are independent*								
Contact guests to try to sell them something	✓ .000		✓.015						
Increase cooperation with other business	✓ .000		✓.000	✓.011				✓.016	
Increase service personalisation	*Testing of hypotheses of associations reveal that all variables are independent*								
Use hotel departments to increase customer satisfaction	✓ .046								
Short-term promotions	*Testing of hypotheses of associations reveal that all variables are independent*								
Improve website to increase interactivity	*Testing of hypotheses of associations reveal that all variables are independent*								
Focused staff training								✓.028	
Provide value re. quality of hotel facilities		✓ .001	✓.010						
Look after hotel employees	✓ .000	✓ .007						✓.033	
Provide value re. service	✓ .011					✓.035			
Focus core guests' needs	*Testing of hypotheses of associations reveal that all variables are independent*								
Make hotel service & facilities different	✓ .001		✓.043						
Encourage dialogue between guests & hotel	✓ .000								
State of CRM in hotel industry	✓ .040	✓ .007			✓.008	✓.028			
Employees play a part in CRM	✓.002		✓.010	✓.042					
Reason hotels engage in CRM				✓.001				✓.010	
Who most influences CRM	✓ .000		✓.000						
Special offers	✓.010	✓ .008			✓.008				
Convenient hotel location(s)	*Testing of hypotheses of associations reveal that all variables are independent*								
Service offered by employees	✓ .001				✓.028				
Reputation/ name of hotel	✓ .000								
Prior usage and satisfaction	*Testing of hypotheses of associations reveal that all variables are independent*								
Loyalty/ recognition schemes	✓ .000			✓.019					
Quality of the hotel facilities	*Testing of hypotheses of associations reveal that all variables are independent*								
Friendliness of hotel employees	*Testing of hypotheses of associations reveal that all variables are independent*								
Central reservations e-systems	*Testing of hypotheses of associations reveal that all variables are independent*								
Consistent accommodation stds	*Testing of hypotheses of associations reveal that all variables are independent*								
Who most benefits from CRM	✓ .016			✓.016					
Long-term outlook	*	*							
Employee satisfaction	✓ .000	*					*	*	
Guests understanding benefits	*	*						*	
Technology	*Testing of hypotheses of associations reveal that all variables are independent*								
Commitment of senior mgt			*		*				
Employee retention	*Testing of hypotheses of associations reveal that all variables are independent*								
Monitoring and refining of processes	*Testing of hypotheses of associations reveal that all variables are independent*								
Customer satisfaction	*Testing of hypotheses of associations reveal that all variables are independent*								

Appendix Y - Consolidated lists of factors from repertory grids

Grid	Factor 1	Factor 2	Factor 3	Factor 4
1	Customer perceptions	Customer service		
2	Relationships	Customer retention		
4	Feedback process			
6	Relationships	Feedback process		
7	Customer satisfaction	Customer service	Management	
8	Customer focus	Customer service		
10	Relationships			
11	Customer Focus	Marketing		
12	Customer retention			
14	Customer Focus			
15	Customer retention			
18	Segmentation	Customer satisfaction		
20	Customer expecations & perceptions	Customer focus	Customer satisfaction	
21	Management	Customer perceptions		
22	Individual experience	Marketing	Price	
23	Customer retention			
24	Management	Customer expectations	Feedback process	
25	Segmentation	Happiness of employees and guests		
26	Customer satisfaction			
28	Customer satisfaction	Price	Individual experience	
30	Customer focus	Offerings	Marketing	
31	Customer satisfaction			
32	Customer satisfaction			
33	Relationships	Added value		
34	Marketing			
36	Marketing	Customer retention		
37	Customer satisfaction			
38	Relationships			
39	Offerings			
40	Customer service	Customer satisfaction	Standards of hotel & quality	
42	Customer satisfaction	Hotel cannot control guests sentiments	Marketing	
43	Customer expectations	Customer focus		
44	Marketing	Standards of hotel & quality		
47	Customers determine wants not marketing	Marketing		
50	Customer focus			
51	Marketing	Customer expectations		
52	Customer focus			
53	Customer focus			
54	Customer satisfaction			
55	Customer focus			

56	Customer focus			
57	Customer satisfaction	Marketing and Delivering		
58	Offerings			
59	Feedback process	Customer Service & Focus on People		
60	Feedback process			
61	Customer focus			
62	Customer satisfaction	Customer retention		
63	Feedback process			
64	Feedback process			
65	Marketing			
66	Customer Attraction & Satisfaction			
67	Customer retention	Customer Satisfaction		
68	Added value			
69	Marketing	Customer focus	Happiness of employees and guests	
70	Happiness of employees and guests			
71	Marketing	Customer Service		
72	Customer Satisfaction	Customer Service		
73	Marketing, Delivering & Rewarding	Standards of hotel & quality		
74	Customer Service	Offerings		
75	Marketing & Delivering	Customer service		
76	Marketing & Perceptions attract & retain	Customer perceptions	Short term tactics	
77	Long-term and sustainable process			
78	Feedback process			
79	Customer retention	Offerings		
80	Feedback process	Marketing		
81	Customer satisfaction			
84	Customer satisfaction	Custome retention	Customer expectations	
85	Feedback process			
86	Two way channel of interaction			
87	Customer satisfaction			
88	Management			
89	Feedback process			
90	Customer focus			
91	Marketing			
92	Customer focus			
93	Customer service			
94	Feedback process			
95	Customer satisfaction	Offerings		
96	Customer service & long term approach	Offerings	Basic requirements & Added Value attract	Customer retention
98	Customer Expectations	Customer Service	Customer satisfaction	
99	Customer Focus			

Appendix Z: List of Common Factors and Idiosyncratic Factors identified by Factor Analysis of the Repertory Grids

Common factors: *(in descending order of popularity)*

1. Customer satisfaction (20 counts)
2. Customer focus (16 counts)
3. Marketing (14 counts)
4. Feedback process (12 counts)
5. Customer service (10 counts)
6. Customer retention (10 counts)
7. Offerings (7 counts)
8. Customer expectations (5 counts)
9. Relationships (5 counts)
10. Management (4 counts)
11. Customer perceptions (3 counts)
12. Happiness of employees and guests (3 counts)
13. Standards of hotel and quality (3 counts)
14. Added value (2 counts)
15. Marketing and delivering (2 counts)
16. Individual experience (personalised experience) (2 counts)
17. Price (2 counts)
18. Segmentation (2 counts).

Idiosyncratic factors: *(only mentioned once)*

1. Basic requirements and Added Value attract guests
2. Customer Attraction and Satisfaction
3. Customers determine wants not marketing
4. Customer expectations and perceptions
5. Customer Service and Focus on People
6. Customer service and long term approach
7. Hotel cannot control guests sentiments
8. Long-term and sustainable process
9. Marketing, delivering and rewarding
10. Marketing and perceptions attract and retain guests
11. Short term tactics
12. Two way channel of interaction

Appendix AA: Frequencies of Factor 1

Factor 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Customer satisfaction	15	18.5	18.5	18.5
	Customer focus	13	16.0	16.0	34.6
	Feedback process	10	12.3	12.3	46.9
	Marketing	8	9.9	9.9	56.8
	Customer retention	5	6.2	6.2	63.0
	Relationships	5	6.2	6.2	69.1
	Management	3	3.7	3.7	72.8
	Customer service	3	3.7	3.7	76.5
	Offerings	2	2.5	2.5	79.0
	Segmentation	2	2.5	2.5	81.5
	Customer expectations	2	2.5	2.5	84.0
	Added value	1	1.2	1.2	85.2
	Customer service & long term approach	1	1.2	1.2	86.4
	Happiness of employees and guests	1	1.2	1.2	87.7
	Personalised experience	1	1.2	1.2	88.9
	Long-term and sustainable process	1	1.2	1.2	90.1
	Marketing & Delivering	1	1.2	1.2	91.4
	Marketing, Delivering & Rewarding	1	1.2	1.2	92.6
	Customer Attraction & Satisfaction	1	1.2	1.2	93.8
	Marketing & Perceptions attract & retain	1	1.2	1.2	95.1
	Two way channel of interaction	1	1.2	1.2	96.3
	Customers determine wants not marketing	1	1.2	1.2	97.5
	Customer expecations & perceptions	1	1.2	1.2	98.8
	Customer perceptions	1	1.2	1.2	100.0
	Total	81	100.0	100.0	

Appendix AB: The influence of demographic and usage variables on the consideration of Customer Satisfaction as the most important factor

Responses in favour of customer satisfaction as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of customer satisfaction		
8 out of 38 employees	21.05%	$.0809 < \mu_p < .3402$
7 out of 43 guests	16.28%	$.0524 < \mu_p < .2731$
The influence of gender on the consideration of customer satisfaction		
11 out of 49 males	22.45%	$.1077 < \mu_p < .3413$
4 out of 32 females	12.50%	$.0104 < \mu_p < .2396$
The influence of age on the consideration of customer satisfaction		
8 out of 44 younger respondents	18.18%	$.0679 < \mu_p < .2958$
7 out of 37 older respondents	18.92%	$.0630 < \mu_p < .3154$
The influence of marital status on the consideration of customer satisfaction		
8 out of 46 single respondents	17.39%	$.0644 < \mu_p < .2834$
7 out of the 35 non single respondents	20%	$.0675 < \mu_p < .3325$
The influence of guests' employment level on the consideration of customer satisfaction		
3 of the 27 guests in a professional or managerial position	11.1%	$-.0074 < \mu_p < .2297$
4 of the 16 guests not in a professional or managerial job	25%	$.0378 < \mu_p < .4622$
The influence of guests' purpose of visit on the consideration of customer satisfaction		
6 of the 19 guests at the hotels on leisure	31.6%	$.1068 < \mu_p < .5248$
1 of the 24 guests on business	4.2%	$-.0383 < \mu_p < .1216$
The influence of employees' job level on the consideration of customer satisfaction		
4 of the 20 employees employed at management level	20%	$.0247 < \mu_p < .3753$
4 of the 18 sampled employees employed at team level	22.2%	$.0302 < \mu_p < .4143$

Appendix AC: The influence of demographic and usage variables on the consideration of Customer Focus as the most important factor

Responses in favour of customer focus as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of customer focus		
6 of the 38 employees	15.79%	$.0420 < \mu_p < .2738$
7 of the 43 guests	16.28%	$.0524 < \mu_p < .2731$
The influence of gender on the consideration of customer focus		
6 out of 49 males	12.25%	$.0307 < \mu_p < .2142$
7 out of 32 females	21.88%	$.0755 < \mu_p < .3620$
The influence of age on the consideration of customer focus		
5 out of 44 younger respondents	11.36%	$.0199 < \mu_p < .2074$
8 out of 37 older respondents	21.62%	$.0836 < \mu_p < .3489$
The influence of marital status on the consideration of customer focus		
6 out of 46 single respondents	13.04%	$.0331 < \mu_p < .2278$
7 out of 35 non single respondents	20%	$.0675 < \mu_p < .3325$
The influence of guests' employment level on the consideration of customer focus		
4 of 27 guests employed in a professional or managerial position	14.8%	$.0147 < \mu_p < .2821$
3 of the 16 guests not employed in a professional or managerial position	18.8%	$-.0038 < \mu_p < .3788$
The influence of guests' purpose of visit on the consideration of customer focus		
3 of the 19 guests on leisure	15.8%	$-.0061 < \mu_p < .3219$
4 of the 24 guests on business	16.7%	$.0176 < \mu_p < .3158$
The influence of employees' job level on the consideration of customer focus		
3 of the 20 employees employed at management level	15%	$-.0065 < \mu_p < .3065$
3 of the 18 sampled employees employed at team level	16.7%	$-.0055 < \mu_p < .3388$

Appendix AD: The influence of demographic and usage variables on the consideration of feedback process as the most important factor

Responses in favour of feedback process as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of feedback process		
1 of the 38 employees	26.3%	$-.0246 < \mu_p < .0772$
9 of the 43 guests	20.9%	$.0877 < \mu_p < .3309$
The influence of gender on the consideration of feedback process		
6 out of 49 males	12.2%	$.0307 < \mu_p < .2142$
4 out of 32 females	12.5%	$.0104 < \mu_p < .2396$
The influence of age on the consideration of feedback process		
2 out of 44 younger respondents	4.6%	$-.0161 < \mu_p < .1070$
8 out of 37 older respondents	21.6%	$.0836 < \mu_p < .3489$
The influence of marital status on the consideration of feedback process		
3 out of 46 single respondents	6.5%	$-.0061 < \mu_p < .1366$
7 out of 35 non single respondents	20%	$.0675 < \mu_p < .3325$
The influence of guests' employment level on the consideration of feedback process		
7 of the 27 guests employed in a professional or managerial position	25.9%	$.0940 < \mu_p < .4246$
2 of the 16 guests not employed in a professional or managerial position	12.5%	$-.0371 < \mu_p < .2871$
The influence of guests' purpose of visit on the consideration of feedback process		
3 of the 19 guests on leisure	15.8%	$-.0061 < \mu_p < .3219$
6 of the 24 guests on business	25%	$.0768 < \mu_p < .4232$
The influence of employees' job level on the consideration of feedback process		
1 of the 20 employees employed at management level	5%	$-.0455 < \mu_p < .1455$
0 of the 18 sampled employees employed at team level indicated	cannot be determined	cannot be determined

Appendix AE: The influence of demographic and usage variables on the consideration of marketing as the most important factor

Responses in favour of marketing as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of marketing		
4 of the 38 employees	10.5%	$.0077 < \mu_p < .2028$
4 of the 43 guests	9.3%	$.0062 < \mu_p < .1798$
The influence of gender on the consideration of marketing		
4 out of 49 males	8.2%	$.0050 < \mu_p < .1583$
4 out of 32 females	12.5%	$.0104 < \mu_p < .2396$
The influence of age on the consideration of marketing		
6 out of the 44 younger respondents	13.6%	$.0350 < \mu_p < .2378$
2 out of the 37 older respondents	5.4%	$-.0188 < \mu_p < .1269$
The influence of marital status on the consideration of marketing		
4 out of 46 single respondents	8.7%	$.0055 < \mu_p < .1684$
4 out of 35 non single respondents	11.4%	$.0089 < \mu_p < .2197$
The influence of guests' employment level on the consideration of marketing		
3 of the 27 guests employed in a professional or managerial position	11.1%	$-.0074 < \mu_p < .2297$
1 of the 16 sampled guests not employed in a professional or managerial position	6.3%	$-.0561 < \mu_p < .1811$
The influence of guests' purpose of visit on the consideration of marketing		
1 of the 19 guests on leisure	5.3%	$-.0478 < \mu_p < .1530$
3 of the 24 guests on business	12.5%	$-.0073 < \mu_p < .2573$
The influence of employees' job level on the consideration of marketing		
2 of the 20 employees employed at management level	10%	$-.0315 < \mu_p < .2315$
2 of the 18 employees employed at team level	11.1%	$-.0341 < \mu_p < .2563$

Appendix AF: The influence of demographic and usage variables on the consideration of customer retention as the most important factor

Responses in favour of customer retention as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of customer retention		
2 of the 38 employees	5.3%	$-.0184 < \mu_p < .1236$
3 of the 43 guests	7%	$-.0064 < \mu_p < .1459$
The influence of gender on the consideration of customer retention		
3 out of 49 males	6.1%	$-.0059 < \mu_p < .1284$
2 out of 32 females	6.3%	$-.0214 < \mu_p < .1464$
The influence of age on the consideration of customer retention		
2 out of 44 younger respondents	4.6%	$-.0161 < \mu_p < .1070$
3 out of 37 older respondents	8.1%	$-.0069 < \mu_p < .1690$
The influence of marital status on the consideration of customer retention		
3 out of 46 single respondents	6.5%	$-.0061 < \mu_p < .1366$
2 out of 35 non single respondents	5.7%	$-.0198 < \mu_p < .1340$
The influence of guests' employment level on the consideration of customer retention		
3 of the 27 guests employed in a professional or managerial position	11.1%	$-.0074 < \mu_p < .2297$
0 out of the 16 guests not employed in a professional or managerial position	cannot be determined	cannot be determined
The influence of guests' purpose of visit on the consideration of customer retention		
0 of the 19 guests on leisure	cannot be determined	cannot be determined
3 of the 24 guests on business	12.5%	$-.0073 < \mu_p < .2573$
The influence of employees' job level on the consideration of customer retention		
1 of the 20 sampled employees employed at management level	5%	$-.0455 < \mu_p < .1455$
1 of the 18 employees employed at team level	5.6%	$-.0503 < \mu_p < .1614$

Appendix AG: The influence of demographic and usage variables on the consideration of relationships as the most important factor

Responses in favour of relationships as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of relationships		
1 of the 38 employees	2.6%	$-.0246 < \mu_p < .0772$
4 of the 43 guests	9.3%	$.0062 < \mu_p < .1798$
The influence of gender on the consideration of relationships		
4 out of 49 males	8.2%	$.0050 < \mu_p < .1583$
1 out of 32 females	3.1%	$-.0290 < \mu_p < .0915$
The influence of age on the consideration of relationships		
3 out of 44 younger respondents	6.8%	$-.0063 < \mu_p < .1427$
2 out of 37 older respondents	5.4%	$-.0188 < \mu_p < .1269$
The influence of marital status on the consideration of relationships		
2 out of 46 single respondents	4.4%	$-.0155 < \mu_p < .1024$
3 out of 35 non single respondents	8.6%	$-.0070 < \mu_p < .1785$
The influence of guests' employment level on the consideration of relationships		
1 of the 27 guests employed in a professional or managerial position	3.7%	$-.0342 < \mu_p < .1083$
3 of the 16 sampled guests not employed in a professional or managerial position	18.8%	$-.0038 < \mu_p < .3788$
The influence of guests' purpose of visit on the consideration of relationships		
3 of the 19 guests on leisure	15.8%	$-.0061 < \mu_p < .3219$
1 of the 24 guests on business	4.2%	$-.0383 < \mu_p < .1216$
The influence of employees' job level on the consideration of relationships		
0 of the 20 employees employed at management level	cannot be determined	cannot be determined
1 of the 18 employees employed at team level	5.6%	$-.0503 < \mu_p < .1614$

Appendix AH: The influence of demographic and usage variables on the consideration of customer service as the most important factor

Responses in favour of customer service as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of customer service		
2 of the 38 employees	5.3%	$-.0184 < \mu_p < .1236$
1 of the 43 guests	2.3%	$-.0218 < \mu_p < .0683$
The influence of gender on the consideration of customer service		
3 out of 49 males	6.1%	$-.0059 < \mu_p < .1284$
0 of the 32 sampled females	cannot be determined	cannot be determined
The influence of age on the consideration of customer service		
3 out of 44 younger respondents	6.8%	$-.0063 < \mu_p < .1427$
0 of 37 older respondents	cannot be determined	cannot be determined
The influence of marital status on the consideration of customer service		
2 out of 46 single respondents	4.4%	$-.0155 < \mu_p < .1024$
1 out of 35 non single respondents	2.9%	$-.0266 < \mu_p < .0838$
The influence of guests' employment level on the consideration of customer service		
1 of the 27 guests	3.7%	$-.0342 < \mu_p < .1083$
0 of the 16 guests	cannot be determined	cannot be determined
The influence of guests' purpose of visit on the consideration of customer service		
0 of the 19 guests on leisure	cannot be determined	cannot be determined
1 of the 24 guests on business	4.2%	$-.0383 < \mu_p < .1216$
The influence of employees' job level on the consideration of customer service		
2 of the 20 employees employed at management level	10%	$-.0315 < \mu_p < .2315$
0 of the 18 employees employed at team level	cannot be determined	cannot be determined

Appendix AI: The influence of demographic and usage variables on the consideration of management as the most important factor

Responses in favour of management as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of management		
1 of the 38 employees	2.6%	$-.0246 < \mu_p < .0772$
2 of the 43 guests	4.7%	$-.0164 < \mu_p < .1095$
The influence of gender on the consideration of management		
2 out of 49 males	4.1%	$-.0146 < \mu_p < .0962$
1 out of 32 females	3.1%	$-.0290 < \mu_p < .0915$
The influence of age on the consideration of management		
2 out of 44 younger respondents	4.6%	$-.0161 < \mu_p < .1070$
1 out of 37 older respondents	2.7%	$-.0252 < \mu_p < .0793$
The influence of marital status on the consideration of management		
3 out of 46 single respondents	6.5%	$-.0061 < \mu_p < .1366$
0 out of 35 non single respondents	cannot be determined	cannot be determined
The influence of guests' employment level on the consideration of management		
1 of the 27 guests employed in a professional or managerial position	3.7%	$-.0342 < \mu_p < .1083$
1 of the 16 sampled guests not employed in a professional or managerial position	6.3%	$-.0561 < \mu_p < .1811$
The influence of guests' purpose of visit on the consideration of management		
1 of the 19 guests on leisure	5.3%	$-.0478 < \mu_p < .1530$
1 of the 24 guests on business	4.2%	$-.0383 < \mu_p < .1216$
The influence of employees' job level on the consideration of management		
0 of the 20 employees employed at management level	cannot be determined	cannot be determined
1 of the 18 employees employed at team level	5.6%	$-.0503 < \mu_p < .1614$

Appendix AJ: The influence of demographic and usage variables on the consideration of customer expectations as the most important factor

Responses in favour of customer expectations as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of customer expectations		
1 of the 38 employees	2.6%	$-.0246 < \mu_p < .0772$
1 of the 43 guests	2.3%	$-.0218 < \mu_p < .0683$
The influence of gender on the consideration of customer expectations		
2 out of 49 males	4.1%	$-.0146 < \mu_p < .0962$
None of the 32 females	cannot be determined	cannot be determined
The influence of age on the consideration of customer expectations		
2 out of 44 younger respondents	4.6%	$-.0161 < \mu_p < .1070$
None of the 37 older respondents	cannot be determined	cannot be determined
The influence of marital status on the consideration of customer expectations		
2 out of 46 single respondents	4.4%	$-.0155 < \mu_p < .1024$
None of the 35 non single respondents	cannot be determined	cannot be determined
The influence of guests' employment level on the consideration of customer expectations		
1 of the 27 guests employed in a professional or managerial position	3.7%	$-.0342 < \mu_p < .1083$
0 of the 16 guests not employed in a professional or managerial position	cannot be determined	cannot be determined
The influence of guests' purpose of visit on the consideration of customer expectations		
0 of the 19 guests on leisure	cannot be determined	cannot be determined
1 of the 24 guests on business	4.2%	$-.0383 < \mu_p < .1216$
The influence of employees' job level on the consideration of customer expectations		
1 of the 20 employees employed at management level	5%	$-.0455 < \mu_p < .1455$
0 of the 18 sampled employees employed at team level	cannot be determined	cannot be determined

Appendix AK: The influence of demographic and usage variables on the consideration of segmentation as the most important factor

Responses in favour of segmentation as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of segmentation		
2 of the 38 employees	5.3%	$-.0184 < \mu_p < .1236$
0 of the 43 guests	cannot be determined	cannot be determined
The influence of gender on the consideration of segmentation		
1 out of 49 males	2%	$-.0192 < \mu_p < .0600$
1 out of 32 females	3.1%	$-.0290 < \mu_p < .0915$
The influence of age on the consideration of segmentation		
1 out of 44 younger respondents	2.3%	$-.0213 < \mu_p < .0668$
1 out of 37 older respondents	2.7%	$-.0252 < \mu_p < .0793$
The influence of marital status on the consideration of segmentation		
1 out of 46 single respondents	2.2%	$-.0204 < \mu_p < .0639$
1 out of 35 non single respondents	2.9%	$-.0266 < \mu_p < .0838$
The influence of guests' employment level on the consideration of segmentation		
0 of the 27 guests employed in a professional or managerial position	cannot be determined	cannot be determined
0 of the 16 guests not employed in a professional or managerial position	cannot be determined	cannot be determined
The influence of guests' purpose of visit on the consideration of segmentation		
0 of the 19 guests on leisure	cannot be determined	cannot be determined
0 of the 24 guests on business	cannot be determined	cannot be determined
The influence of employees' job level on the consideration of segmentation		
2 of the 20 sampled employees employed at management level	10%	$-.0315 < \mu_p < .2315$
0 of the 18 sampled employees employed at team level	cannot be determined	cannot be determined

Appendix AL: The influence of demographic and usage variables on the consideration of offerings as the most important factor

Responses in favour of offerings as Factor 1	sample %	confidence interval
The influence of type of respondent on the consideration of offerings		
2 of the 38 employees	5.3%	$-.0184 < \mu_p < .1236$
0 of the 43 guests	cannot be determined	cannot be determined
The influence of gender on the consideration of offerings		
0 of the 49 males	cannot be determined	cannot be determined
2 out of 32 females	6.1%	$-.0214 < \mu_p < .1464$
The influence of age on the consideration of offerings		
2 out of 44 younger respondents	4.6%	$-.0161 < \mu_p < .1070$
0 of the 37 older respondents	cannot be determined	cannot be determined
The influence of marital status on the consideration of offerings		
2 out of 46 single respondents	4.4%	$-.0155 < \mu_p < .1024$
0 of the 35 non single respondents	cannot be determined	cannot be determined
The influence of guests' employment level on the consideration of offerings		
0 of the 27 guests employed in a professional or managerial position	cannot be determined	cannot be determined
0 of the 16 guests not employed in a professional or managerial position	cannot be determined	cannot be determined
The influence of guests' purpose of visit on the consideration of offerings		
0 of the 19 guests on leisure	cannot be determined	cannot be determined
0 of the 24 guests on business	cannot be determined	cannot be determined
The influence of employees' job level on the consideration of offerings		
2 of the 20 sampled employees employed at management level	10%	$-.0315 < \mu_p < .2315$
0 of the 18 sampled employees employed at team level	cannot be determined	cannot be determined

Appendix AM: Summary of Pearson Chi Square Tests, for which associations between the variables being examined has been established for the analysis of the questionnaires

CROSSTABULATION OF TWO VARIABLES	Pearson Chi-Square	
	Value	Asymp. Sig. (2-sided)
Main reason why hotel companies engage in CRM * New groups of status	13.169	.001
Main reason why hotel companies engage in CRM * New categories of business usage	13.313	.010
Contact guests to try to sell them something * Type of Respondent	51.960	.000
Contact guests to try to sell them something * New age groups	5.885	.015
Special offers * Type of Respondent	9.158	.010
Special offers * Gender	9.673	.008
Special offers * New groups of guest's employment	9.716	.008
Customer loyalty and recognition schemes * Type of Respondent	20.017	.000
Customer loyalty and recognition schemes * New groups of status	7.934	.019
Seek new customers * Type of Respondent	4.807	.028
Make hotel different in terms of service and facilities * Type of Respondent	11.379	.001
Make the hotel different in terms of service and facilities * New age groups	4.105	.043
Service offered by the employees * Type of Respondent	14.372	.001
Service offered by the employees * New groups of guest's employment	7.171	.028
Provide value in terms of service * Type of Respondent	6.428	.011
Provide value in terms of service * Purpose of this visit to the hotel	4.464	.035
Provide value in terms on the quality of hotel facilities * Gender	11.550	.001
Provide value in terms on the quality of hotel facilities * New age groups	6.695	.010
Reputation and name of company or specific hotel * Type of Respondent	24.216	.000
Use various hotel departments to increase customer satisfaction * Type of Respondent	3.971	.046
Build relationships inside the hotel organisation * Type of Respondent	9.432	.002
Build relationships inside the hotel organisation * New age groups	10.798	.001
Build relationships with businesses hotel works with * Type of Respondent	5.965	.015
Build relationships with businesses the hotel works with * Gender	5.257	.022
Build relationships with businesses hotel works with * New groups of employees' job	3.949	.047
Increase co-operation with other businesses * Type of Respondent	36.077	.000
Increase co-operation with other businesses * New age groups	19.170	.000
Increase co-operation with other businesses * New groups of status	6.387	.011
Increase co-operation with other businesses * New categories of business usage	8.267	.016
Do employees play a part in Customer Relationship Marketing? * Type of Respondent	9.772	.002
Do employees play a part in Customer Relationship Marketing? * New age groups	6.603	.010
Do employees play a part in Customer Relationship Marketing? * New groups of status	4.143	.042
Look after hotel employees * Type of Respondent	21.875	.000
Look after hotel employees * Gender	7.301	.007
Look after hotel employees * New categories of business usage	6.843	.033
Employee satisfaction * Type of Respondent	30.009	.000
Focused staff training * New categories of business usage	7.123	.028
Encourage dialogue between guests and hotel company or hotel * Type of Respondent	15.500	.000
The state of CRM in the hotel industry * Type of Respondent	6.419	.040
The state of Customer Relationship Marketing in the hotel industry * Gender	9.835	.007
The state of CRM in the hotel industry * New groups of guest's employment	9.554	.008
The state of CRM in the hotel industry * Purpose of this visit to the hotel	7.169	.028
The party that most influences CRM * Type of Respondent	34.672	.000
The party that most influences CRM * New age groups	18.449	.000
The party that most benefits from CRM * Type of Respondent	8.312	.016
The party that most benefits from CRM * New groups of status	8.282	.016