# A Study on Customer Relationship Management in the Hotels in Solan and Shimla Town

## PROJECT REPORT

## BY

## RACHITA KASHYAP

## (H-2012-MBA-34)

*Submitted in partial fulfillment of the requirements for the degree of*

## MASTER OF BUSINESS ADMINISTRATION

### (2012-2014)

## DEPARTMENT OF BUSINESS MANAGEMENT
## COLLEGE OF HORTICULTURE

**Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (Himachal Pradesh) 173230**

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## 2014

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## CERTIFICATE- I

This is to certify that the project entitled "**A Study on Customer Relationship Management in the Hotels in Solan and Shimla Town**" has been submitted to Department of Business Management, College of Horticulture, Dr.Y.S. Parmar University of Horticulture and Forestry, Nauni, Solan (H.P.) by Rachita Kashyap (H-2012-MBA-34) in the partial fulfillment of the requirements for the degree of Master of Business Administration of this University. To the best of my knowledge, no part of this project has been submitted for any degree or diploma elsewhere and the help received during the course of investigation and sources of literature have been duly acknowledged.
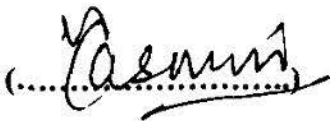
Place: Nauni, Solan (H.P.)

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Dr. Yasmin Janjhua

Project Advisor
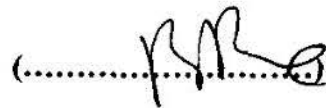
# CERTIFICATE –II

This is to certify that the project entitled **"A Study on Customer Relationship Management in the Hotels in Solan and Shimla Town"** has been submitted to Department of Business Management, College of Horticulture and Forestry, Nauni, Solan (H.P.) by Rachita Kashyap (H-2011-MBA-34) in the partial fulfillment of the requirements for the degree of Master of Business Administration of this University. The project has been approved by the Examination Committee after conducting an oral examination in collaboration with the external examiner.
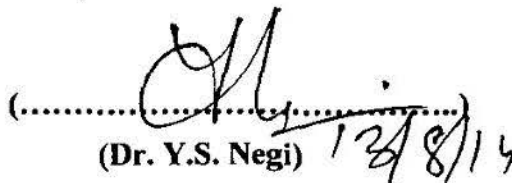
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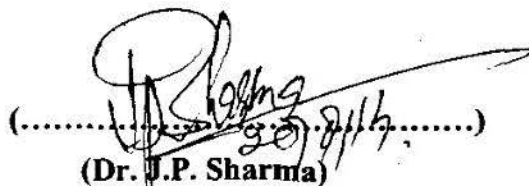
**External Examiner**

**(Dr. Y.S. Negi)** 13/8/14
**Head of the Department**
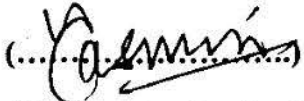
**(Dr. J.P. Sharma)**
**Dean, College of Horticulture**

# CERTIFICATE - III

This is to certify that all errors pointed out by the external examiner have been corrected in the project entitled "**A Study on Customer Relationship Management in the Hotels in Solan and Shimla Town**" that has been submitted to Dr. Y.S. Parmar University of Horticulture and Forestry , Solan (H.P.) by Rachita Kashyap (H-2012-MBA-34) in the partial fulfillment of the requirements for the degree of Master of Business Administration of this University.

(...................)                                 (...................)

**(Dr. Yasmin Janjhua)**                    **(Dr. Y.S. Negi)**

**Project Advisor**                            **Head of the Department**

# ACKNOWLEDGEMENT

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# CHAPTER 1

# INTRODUCTION

Relationships are as old as mankind. We all are part of one relationship or the other. Business community in India since long has been relying upon relationships for business growth. Even today, it is widely prevalent among the Indian business fraternity. Some communities in India have been very successful in business because they are smart enough to sustain relationships while others do not. So, relationships in general and with customers in particular have always been a key for growth of business (Rai, 2011).

Customer Relationship management is the strongest and the most efficient approach in maintaining and creating relationships with customers. Customer relationship management is not only pure business but also ideate strong personal bonding within people. Development of this type of bonding drives the business to new levels of success. Once this personal and emotional linkage is built, it is very easy for any organization to identify the actual needs of customer and help them to serve them in a better way.

By customer relationship management the details about the customers are collected and hence it is very easy to track a customer accordingly and can be used to determine which customer can be profitable and which not. In customer relationship management system, customers are grouped according to different aspects according to the type of business they do or according to physical location and are allocated to different customer managers often called as account managers. This helps in focusing and concentrating on each and every customer separately. A customer relationship management system is not only used to deal with the existing customers but is also useful in acquiring new customers (Kotler, 1998). The process first starts with identifying a customer and maintaining all the corresponding details into the customer relationship management system which is also called an opportunity of business. The sales and field representatives then try getting business out of these customers by sophistically following up with them and converting them into a winning deal. All this is very easily and efficiently done by an integrated customer relationship management system (Vrsalovich, 2013).

The studies have shown that customer relationship management is very cost-effective and if decently implemented is associated with less need of paper and manual work which requires lesser staff to manage and lesser resources to deal with. The technologies used in implementing a

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customer relationship management system are also very cheap and smooth as compared to the traditional way of business (Graue, 2013). All the details in customer relationship management system is kept centralized which is available anytime on fingertips. This reduces the process time and increases productivity (Doron, 2012). Efficiently dealing with all the customers and providing them what they actually need increases the customer satisfaction. This increases the chance of getting more business which ultimately enhances turnover and profit. If the customer is satisfied they will always be loyal to you and will remain in business forever resulting in increasing customer base and ultimately enhancing net growth of business (Graue, 2013).

In today's commercial world, practice of dealing with existing customers and thriving business by getting more customers into loop is predominant and is mere a dilemma (Kha, 2000). Installing a customer relationship management system can definitely improve the situation and help in challenging the new ways of marketing and business in an efficient manner. Hence in the era of business every organization should be recommended to have a full-fledged customer relationship management system to cope up with all the business needs (Mark, 2012).

All services sector industries have realized that creating superior customer service is the key for their survival. Most offers across the industries are difficult to differentiate on the basis of offer quality, pricing, distribution or promotion with the greatest aggression has become the norm. The only point of differentiation left is the customer service and most of the industries are using it as a tool for competitive advantage (Rai, 2011). Tourism is a service, so production and consumption take place at the same time and in order to be successful, an industry must be able to sell its product in the market place and after selling its service, it should be able to retain its customers in order to generate more profits through effective customer relationship management (Ramachandra, 2011).

In the tourism sector, customer relationship management has become one of the most important strategies in attracting and increasing tourist arrivals, in filling the tourist facilities and in satisfying the needs of guests. The main goals of customer relationship management are to attract tourists, to meet a maximum of tourists (a new guarantee of return and achieve the most efficient promotion), increase the number of tourists and achieve customer loyalty. It enables more efficient marketing and sales and it improves the overall tourism industry and services aimed at tourists and their preferences ( Ivanovic , Mikinac and Perman, 2011).

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The application of customer relationship management in Hospitality Industry is important to increase the satisfaction level of customer and resulting in maintaining long term relations, helping the social recognition and developing customer loyalty too. Bottom line is that positive word of mouth brings lot of advantage along with it like reducing marketing cost, increasing profitability, reducing customer turnover, maintaining market share and a better return on investment (Singh and Rajput, 2011).

Thus on the basis of above discussion it can be said that customer relationship management implies building long term relationship with the customers, understanding their needs and responding via multiple products and services via multiple channels including web, call centers, field sales and dealers and hence trying best to fulfill the customer needs.

## 1.1 Meaning of Customer Relationship Management

According to Sheth and Parvatiyar (2011) customer relationship management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and for the customers. Peel (2002) has given his opinion on customer relationship and according to him customer relationship management has always encompassed the broad set of sales, marketing and customer service activities associated with serving customers. Upto now, the scope has not changed; however, the focus has changed considerably. Newell (2003) considers customer relationship as a new form of database marketing. It's innovation is to gain a 360-degree view of the customer, having all data, from all touch points, integrated in one system. Mckim (2002) believes that customer relationship management provides personalization to all customers and prospects as it attempts to gain a relationship with the customer through affinities and personalized communication, thus making the customer more transitive.

Customer relationship management can be considered as an integrated information system that is used to plan, schedule and control the presales and post sales activities in an organization. CRM embraces all aspects of dealing with prospects and customers, including the call center, sales force, marketing, technical support and field service.

It is basically an integrated approach to identify, acquire and retain the customers by enabling to manage and coordinate customer interactions across multiple channels, departments, lines of business, and geographies. Customer relationship management helps organizations maximize the value of every customer interaction and hence drive superior corporate performance. Companies need to understand who the profitable customers are and accordingly design marketing programme as per the requirements of the customers; for example, a multiplex may inform about the new releases with the show timings to its loyal customers.

## 1.2 Importance of Customer Relationship Management

Customer relationship management helps the organization to identify needs and re-focus its strategy to serve him better. It helps the company to achieve business growth through development of competitive edge and excellence.

According to R.K. Sugandhi (2011) some of the major issues that customer relationship management addresses are:

- It identifies the customer needs and their expectations.
- It helps in rediscovering the customer and understanding him
- It identifies the untapped business potential
- It identifies the fields that require new technology and development.
- It identifies strong and weak points of supplier.
- It provides feedback and new information on competitors
- It provides bench marking in order to achieve global excellence
- It provides details on the aspects on which customer is happy with the supplier and on those where he feels that improvement needs to be incorporated
- It provides information to make action plan in order to make an organization customer-centric.

The primary goal of customer relationship management is to improve long-term growth and profitability through a better understanding of customer behavior. Customer relationship management aims to provide more effective feedback and improved integration to better gauge

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the return on investment. In fact it describes the strategy that a company uses to handle customer interactions.

One example of a common customer relationship management strategy is the rewards card program offered by many supermarkets. *The Tesco store gives its customers a free card that gives them access to special deals and discounts when they swipe the card during checkout. But that card also tracks everything the customer buys and allows the store to create an extremely detailed customer profile based on his or her purchasing habits. Armed with that information, the store can then offer its customers targeted coupons and other programs that will motivate its customers to buy more products from that store. Computers have greatly enhanced the customer relationship management process because the key to a good customer relationship management is uncovering and storing information about customers. The more a company knows about its customers, the better it can manage those relationships* – as in the above example of supermarket rewards cards.

## 1.3 Customer Relationship Management in Hotel Industry

According to Peter Drucker "A product is not of quality because it is hard to make and costs a lot of money, as manufacturers typically believe. It is incompetence. Customers pay only for what is of use to them and give them value. Nothing else constitutes quality."

India's hospitality industry is booming. Hundreds of hotels are expected to open in the next few years. Major US based international brands, such as Hilton & Marriott, have announced plans to invest in India. The Indian travel and tourism sector is currently a $100 billion industry. The world travel and tourism council says that over the next decade the size of the industry will nearly triple (Times of India, 2010).

Hospitality being a services industry carries most of the features of a service industry. Most of the big players of the industry have been attempting to establish a relationship with the customers, as perish ability of services is very high in this industry. The latest American Express study on the lifestyle of the Indian affluent has revealed that increasing consumerism is steering a dramatic change in the lifestyle aspirations thereby forcing product and service providers to understand what is driving consumers' choices and decisions. Lifestyle expectations are growing rapidly along with wealth and thus personalized service is high on the charts for customers of

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hotels and restaurants. Most of the hotels are running various loyalty schemes throughout the years. Earlier, these schemes used to be during vacation period. Discounts, free dine on stay etc. have become and have since long been practiced to lure customers. Now that battle has shifted from free offers to better service (Rai, 2011).

Hotel is a place where a traveler can receive food and shelter provided he can afford to pay for it. It is also known as the accommodation industry and hospitality industry (Mythili, and Renuka, 2011). Customer relationship management allows the hotels to customize the stay of loyal and valued customers as well as create special loyalty rates for customers who spend quality time and money with the hotel. This is important because customers remember hotels that gave them personalized care. Also a business strategy put into place with customer relationship management ensures that the hotel's technology is upto date that a hotel can track a customers satisfaction by creating a close relationship to that customer.(Mythili and Renuka, 2011). Making the total stay memorable and pleasurable, hotels have come up with various offers.

For example: the Ashok Group of hotels has introduced special packages for those above 65 yrs of age and are frequent guests in the hotel chain. By producing age certificates, they can avail a 50% discount on most of the facilities offered by the hotel. They have also introduced personalized cards where by paying a stipulated amount of money, the card holder is entitled to free entry into key facilities, great discounts and special offers (Indian Management, 2001).

## 1.4 Technology Initiatives for Superior Customer Service in Hospitality Industry

Today, many companies in the hospitality sector are investing in their database infrastructure to get a better view of their customers and their buying habits, enabling the businesses to market special offers more effectively and provide an improved service. To get a 360 degree view of customers, hotels need to create a centralized database that pulls in information from all relevant sources. Unless this happens, information on a particular customer is situated at numerous locations making it impossible to build up an accurate profile of the customers. The Manhattan- based Affinia Hotels chain gives its staff writing pads to jot down useful details about guests, which are later added to the customer database and used to personalize their stay (Rai,2011).

Many companies sell software programs for customer relationship management data specifically tailored for the hotels. The company Amateo has developed adapters that can connect up to 25 different databases, from simple Microsoft Access files to high end Oracle databases. It also offers a hosting service whereby it looks after all the IT equipment and data on companies behalf, allowing the client to focus on its core business (Rai, 2011). The Shire hotel group in UK recently installed a centralized customer database from Amateo (Business Line, 2002).

## 1.5 Customer Issues In Hospitality Industry

Among many customer-related issues, one such is customer frustration at filling out check in forms that has also been a thing of the past. If a guest has stayed at a hotel in that chain before, the details should be in the system. All they need to do is prove his identity and the previous entry may be added to the current form. Hilton Hotels is looking to streamline this process and also planning to introduce check-in kiosks in the near future.

Technology and connectivity also have been resorted to by the hotels in a big way in their bid to provide special care to the customers. The Taj Exotica in South Goa not only provides guests with Wi-Fi broadband access for surfing the internet and checking e-mail, but its solution also allows guests to send print jobs wirelessly to the hotels' business centre (Rai, 2011).

From the foregoing discussion it can be stated that customer relationship management is all about understanding the needs of the customer, his likes and dislikes, finding out his requirement and value system and then comparing it with ability, capability and value system of the supplier and then serving those customers to their utmost satisfaction. Going a step forward in order to satisfy a customer will result in a fully satisfied or even a delighted customer which will further lead to an increase in the repeat business and revenues. In a Business to Business engagement it was found that the 'delighted' customers were five times more likely to plan on repurchasing than merely satisfied customers'. The proper implementation of customer relationship management results in the customer loyalty and their retention. It easy to introduce new products to the loyal customers hence the diversification of the business is easy which further leads to the profitability and business growth. Loyal customers act as the business ambassadors of the supplier and also motivate other customers to give business to the supplier. Not only this, it also helps in reduction of the expenditure on the marketing activities as it is

cheaper to retain a customer than to hunt for a new customer. Therefore customer relationship management is beneficial for both the customer as well as the service provider.

# CHAPTER 2

# RESEARCH DESIGN

## 2.1 REVIEW OF LITERATURE

Review of literature deals with a brief review of work done in the past on the subject concerned. Review of the past research helps, besides demarking the limitation of the work done, in classifying the concept and methodology of the study. So an attempt has been made to review work carried out in the past.

**Seth and Parvatiyar (2002)** examined the role of communication in the process of relationship building. The authors stated that by establishing proper communication channels for sharing information with customers a company can enhance their relationship with them and in addition to this, it is also essential to establish intra-company communication, particularly among all concerned individuals and corporate functions that directly play a role in managing the relationship with a specific customer or customer group. The results have revealed that the communication helps in relationship development, fosters trust, and provides the information and knowledge needed to undertake the cooperative and collaborative activities of relationship marketing and hence acts as the lifeblood of relationship marketing.

**Chen and Popovich (2003)** tried to contribute to the understanding of customer relationship management through people, process and technology. According to the study customer relationship management (CRM) is an integrated approach to manage relationships by focusing on customer retention and relationship development. It was also observed that companies that have been successful in implementation of CRM, reaped the rewards in customer loyalty and long run profitability. However, successful implementation is hard to grasp by many companies, mostly because they do not understand that CRM requires company-wide, cross-functional, customer-focused business process re-engineering. The study suggested that managing a successful CRM implementation requires an integrated and balanced approach to technology, process, and people. The study concluded that customer relationship management is a comprehensive approach that promises to maximize relationships with all customers, including internet or understanding customer relationship management or "e-customers", distribution channel members, and suppliers.

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**Danubianu, et al. (2003)** studied and explained the data mining concept and delineated its application in the hotel industry. The study revealed the importance of data mining in the hospitality sector. It was suggested that the data mining technology is a useful tool for hotel corporations in order to understand and predict guest behavior and based on information derived from data mining, hotels can make well informed marketing decisions—including who should be contacted, to whom to offer incentives (or not), and what type of relationship to establish.

**Jaipuria (2006)** conducted a study to explain the dark side of customer relationship management in the luxury segment of the hotel industry. The study has been conducted on Ritz- Carlton Hotel Company, L.L.C. and the research questions have been addressed for the industry at large using Ritz- Carlton as a classic example of superior service quality to the customers. With the help of the 'gap model' the study suggested the ways by which gaps can be filled. It was noted that there existed the dark side of customer relationship management like privacy issues, unwillingness of customers to build a relationship with the service provider and changing tastes and preferences of the customer. The paper findings are helpful in providing guidelines to the luxury hotels to bring about improvement in service quality to gain and retain customers which will further lead to the business growth and profitability.

**Kamath et al., (2008)** conducted a study in Navi Mumbai in order to find out the key success factors in services marketing in the hotel industry segment. The study is conducted with the help of a sample which is chosen randomly and is done with the help of a questionnaire. The study covered 100 respondents from six different hotels, chosen at random. The authors strongly believed that if the hotels want to become marketing oriented, there could be three types of strategies which a hotel can implement i.e., defensive strategy which aims at protecting and retaining existing customers; offensive strategy which targets penetrating the new areas through geographical expansion by adopting innovation and seizing market opportunities; and the rationalization strategy which aims at the use of cost reduction methods.. Hence, it was concluded that the customer relationship management acts as a key success factor in services marketing with a special reference to hotel services.

**Higins (2009)** analyzed the need of implementation of customer relationship management in the hotel industry. According to the study, hospitality providers need to enhance their customer relationship management programs to take advantage of the technology tools that can help them

differentiate among customers and aim their programs at those who are more valuable and more profitable. The study revealed that rather than the focus on implementing a customer relationship management loyalty program just because a competitor has one, hospitality executives need to look at how customer relationship management tools can provide the essential information necessary to segment high-value customers and those that better reveal all customer behavior and needs.

**Kasim and Minal (2009)** studied the linkage between CRM strategy, Customer Performance Measures and the Performance in the hotel industry. The study has contributed to the limited literature available on the CRM strategy since little was known about the use of CRM strategy and customer performance in the hotel industry in Malaysia. The authors collected the data through questionnaire survey from a sample of 95 hotels in Malaysia and the hierarchical regression analysis revealed that only the information technology dimension of CRM strategy has a significant and positive effect on performance. From the study it can be concluded that that the use of customer performance measures partially mediates the relationship between CRM and performance. Although the use of IT positively affects performance, however, its ability to enhance performance also depends on the use of customer performance measures complemented by a comprehensive quality control mechanism.

**Preetha, et al. (2010)** studied and explained the meaning of customer relationship management with the reference of hospitality industry. Further the importance of hospitality marketing to ensure customer satisfaction and business growth was also studied. The study suggested various latest offerings in customer relationship management that the hoteliers can implement like developing guest profiles, driving it down to the transactional level and generating realistic profiles. The article also shed some light on the factors i.e. marketing, service and sales which are considered to be most reliable factors of customer relationship management. It was concluded that, as the hospitality industry is a customer centric industry/business hence the customer satisfaction assumes more significance than others.

**Moreno, et al. (2010)** studied the concept of value creation of customer relationship management through the research based view of service companies, and also explained the main resources and capabilities involved. The research was conducted on the hotels of UK and Spain using a Structural Equation Methodology and 10 semi-structured interviews were conducted with

the hotel managers accordingly. The results of the study concluded that a process approach can be used to explain the success of customer relationship management and also show that customer relationship management success depends on an adequate combination of resources and capabilities acting jointly as a process. It was observed that technology acted as a basic resource, thus enabling the strategy, while knowledge management and organizational capabilities played the most important role.

**Renuka and Mythili (2011)** studied and explained the meaning of customer relationship management and documented its importance in hotel industry. According to the authors customer relationship management is an information industry as methodologies, software, and usually internet capabilities play an important role in managing customer relationships in an organized way. Thus, due to the increasing competition, globalization, higher customer turnover, growing customer acquisition cost and rising customer expectations it becomes important for the hotels to integrate information technology widely.

**Raval (2011)** studied the Customer Relationship Management as a managerial tool whose benefits are considered to be enormous as it facilitates the reduction of costs of the organization by implementation of technological processes in order to facilitate better understanding between the customer and the organization and has also increased the availability of information to the organization that can be used according to customer information requirements. The study concluded that Customer Relationship Management is best tool to build a powerful customer experience and the most competitive weapon around the business.

**Baruach, et.al (2011)** studied and explained the concept of customer relationship management. According to the authors CRM is a business strategy to acquire and manage the most valuable customer relationships. It was pointed by the authors that the customer relationship management requires a customer centric business philosophy and culture to support effective marketing , sales and services processes. According to the authors the key customer relationship principles are differentiating customers, differentiating offerings, keeping the existing customers, maximizing life time value and increasing loyalty. Hence from the study, it can be concluded that the purpose of CRM is to enable various organizations serve customers better through introducing them to a series of processes and procedures that better the buying experience for customers.

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**Cheng and Hamid (2011)** conducted a study on the usability of hotel websites in managing tourist expectations which is a customer relationship perspective. The study discussed the roles of Internet and the Web in managing customers (tourist) expectations from the relationship marketing perspective. Also the usability levels of e-CRM features of hotel websites, namely informational, transactional and relational, leading to better customer relationship are examined. For the study, 638 hotels in Malaysia were listed out of which 473 web sites were used for further analysis and the remaining hotels were excluded as they didn't owned their own website. The results of the study showed that the transactional features are most widely used, however the adoption of relational features, which are believed to be able to enhance customers satisfaction leading to loyalty are lagging on hotel websites in Malaysia. From the study it can be concluded that the success of the hotel websites in managing customer expectations that lead to customer satisfaction, retention and loyalty lies on how the technology is able to match the web interface (front-end) with the hotel's processes (back-end) in an integrated way to create synergistic and symbiotic effects.

**Jeyalakshmi and Gayathiri (2011)** studied and explained the Customer Relationship Management and the role of internet in Customer Relationship Management. The author stated that the CRM is basically an industrial term for the set of methodologies and tools that help an enterprise to manage customer relations in an organized way where the web based CRM software offers companies tons of features/ benefits that helps the companies to find the customer needs and also helps the companies to manage the relationships more intelligently which further helps to predict the future. From the study it can be concluded that the internet allows a company to follow new ways to become more effective with its customers and sales prospects and approaches used under internet and e-commerce will help an organization to develop Customer Relationship Management.

**Kumar et.al (2011)** studied the impact of E-CRM in banking services. The author collected the data with the help of questionnaire from 10 bank employees of Punjab National Bank branches in Rohtak town. The findings reveal that E-CRM lead to the reduction in operating costs, increment in customer loyalty and the profitability increased from 26 to 50 percent. It was also found that frauds and errors have been reduced to 0 percent from 25 percent. The study

concluded that dealing with the customers through phones, internet, face to face has greatly benefited the bank business and the future of E-CRM in banks is very bright.

**Kocoglu (2012)** made an attempt to study the customer relationship management and customer loyalty in the banking sector. The author stated that, for the banks to be successful in the intensively competitive environment it is important for them to attach importance to customer satisfaction in their services. The study has been conducted on a sample group of 350 staff employed in the branches of T.C. Ziraat Bankasi in Denizli. The study has indicated positive relationship between the banks-customer relationship management and the customer loyalty. The study concluded that customer relationship management affects customer loyalty in the banking sector.

**Mohammed, et al. (2012)** provided a conceptual model that explained the theoretical linkages existing between CRM dimensions and hotel performance. The study also noted the mediating role of marketing capabilities in this relationship. However, it was put forth that the model is focused on the hotel industry and therefore, before applying in other sectors needs to be tested.

**Meharunisa (2011)** studied and explained the concept of customer relationship management. According to the author customer relationship management is a business model that aligns product and sales strategies with customer requirements and preferences. The article explained the customer centered features such as centralize customer information, schedule appointments and meetings, unify customer email and responses, configure my workplace and take your customers everywhere and also discussed the scope of future efficiency of customer relationship management in hotel industry. The author concluded that the hotels need to learn to outsource areas of operation where they do not possess key competence.

**Schweisberger and Chatterjee (2002)** studied and explained the concept of customer relationship management in small hotels. According to the authors customer relationship management is not only for the big chain hotels with deep pockets but is equally within reach of the small, independent and boutique hotels. The study explained the benefits of the customer relationship management in the small hotels such as increase in revenue, increase in expenditure by the guests, improved service by serving guests from various channels with consistent, quality information about their needs, etc. The authors suggested small hotels to start the CRM initiative with people and processes as soon as possible.

**Sankar and Saranya (2011)** studied and explained Customer Relationship Marketing and its effectiveness through complaint management. According to the study an organization's future health and vitality to an extent depends on the importance it attaches to complaint management. The authors also suggested that the organizations should view the complaints as opportunities to target improvement efforts in the different areas which can be done through 'defensive marketing', as it involves retaining existing customers.

**Saryana and Sankar (2011)** examined the role of service orientation and its dimensions as a tool of customer relationship management. The authors defined the service orientation as an organization-wide embracement of a basic set of relatively enduring organizational policies, practices and procedures that intend to support and reward service giving behaviors that create and deliver service excellence. According to the authors the dimensions of the service orientation are service leadership, service encounter, service systems and human resource management. It was noted that these dimensions monitor levels of benchmark performance for any organization to guide progress towards specific service goals.

**Williams (2012)** studied the marketing relationship and its importance to the marketer. The author stated that the successful relationship does not happen by itself as it requires time, effort, and even hard work to create, maintain, and build marketing relationship. The core qualities suggested by the author that contribute to successful marketing relationship have been meeting the partners' specific expectations and keeping them satisfied, partners' aligned agreement system, partner and role compatibility, shared values and goals, safe guarding investments against the threat of opportunistic behavior, communication, empathy and professional intimacy, trust and commitment, long term orientation and providing an environment that enhances relationship. The study revealed that a company's efficiency in understanding and responding to customers' needs has allowed the company to build more meaningful connections or relationships with consumers which has further contributed to the bottom line by reducing costs and increasing revenues.

**Yadav (2013)** studied the customer relationship management implementation strategies in hotel industry. The author noted that the main objective of customer relationship management

implementation is to develop long term relationship with clients and making sure that they remain in business terms with organization for life time. According to the study business strategy, current organizational capabilities and a sound reason of implementing customer relationship management in the organization is the pre-requisites for a successful Customer Relationship Management implementation. The proposed CRM implementation model in the study for hotel industry comprises divergent elements in an integrated manner, CRM structure by gaining the support of top management, knowledge management along with ICT.

Hence from the above reviews it can be concluded that, the hospitality industry is a consumer centric industry/ business where the customer satisfaction is considered as a more significant as the others. It was also seen that a direct relationship between the customer relationship management dimensions and hotel performance existed. Though the customer relationship management acts as a key success factor in services marketing but there also exists a dark side of customer relationship management like privacy issues, unwillingness of customers to build a relationship with the service provider and changing tastes and preferences of the customer. The studies also highlighted that the right implementation of customer relationship management leads to the customer loyalty and their retention thus increasing the profitability and the growth of hotels.

## 2.2 Need of the Study

Customer relationship management is a process or methodology used to learn more about customer needs and behaviors in order to develop stronger relationships with them; which will lead to shift of strategies from acquisition to customer retention and building of product strategies around customerization. The use of customer relationship management application to create a business strategy is an excellent way to increase customer loyalty and customer retention. Moreover the review studies have shown that customer relationship management helps the organization to identify needs and re-focus its strategy to serve him better. It helps the company to achieve business growth through development of competitive edge and excellence. The hotel industry is experiencing increased globalization, competition, higher customer turnover, growing customer acquisition costs and rising customer expectations. The hotels' performance and competitiveness is significantly dependent on their ability to satisfy customers

efficiently and effectively. To enhance profitability and guest loyalty, hotels must nowadays focus on implementing customer relationship management strategies that aim to seek, gather and store the right information, validate and share it throughout the entire organization and then use it throughout all organizational levels for creating personalized, unique guests' experiences. So in the present study an attempt has been made to examine the factors determining customer relationship management in hotel industry and to study its role in customer satisfaction.

## 2.3 Objectives Of The Study

The present study has been conducted with the following objectives:

- To study the satisfaction of customer with customer relationship management in selected hotels in Solan and Shimla town.
- To study influence of customer relationship management towards customer loyalty.

## 2.4 RESEARCH METHODOLOGY

### 2.4.1 Area of the study

The present study is conducted among the hotels located in the towns of Solan and Shimla in Himachal Pradesh.

### 2.4.2 Sampling

It may be defined as the selection of some part of as an aggregate or totality on the basis of which a judgment or inference about the aggregate is made. For the present study the convenient sampling method has been used.

### 2.4.3 Sample size

It refers to the number of items to be selected from the universe to constitute a sample. For the present study the opinions have been collected from 60 customers of selected hotels located in Solan and Shimla town.

## 2.4.4 Data Collection

Data collection is any process of preparing and collecting data, for example, as part of a process improvement or similar project. The data for the present study is collected through primary and secondary sources.

## 2.4.4.1 Primary Data

These are the original sources from where the researchers directly collect data. These are the first hand information collected through various methods such as observation, interviewing, mailing, questionnaires etc. The primary data for the present study the data will be collected with the help of a well designed questionnaire.

## 2.4.4.1.1 Instrument

The opinions of the respondents were collected with the questionnaire which was divided into two parts. Part 'I' was designed to seek information on the demographic variables such as name, gender, marital status, age, occupation and annual income. Part 'II' consists of the opinion of the customers regarding the hotel staff, interior decoration of the hotel, edible stuff, services offered etc. the response format used was highly satisfied, satisfied, moderate, unsatisfied and highly unsatisfied. The customers were asked to indicate his/her degree of satisfaction of the features mentioned in the questions.

## 2.4.4.2 Secondary Data

The information which have already been collected by some agency for specific purpose and are subsequently compiled from those sources for application in a different situation. The secondary data for the present study will be collected from various magazines, journals, articles, research papers and books.

## 2.4.5 Data Analysis

Analysis of data is a process of inspecting, cleaning, transforming and modeling data with the goal of highlighting useful information, suggesting conclusions and supporting decision making.

The data collected from the respondents has been analyzed using statistical and mathematical tools such as percentage, mean and standard deviation.

## 2.4.5.1 Percentage

Percentage method refers to a special kind of ratio which is used in making comparison between two or more series of data. The formula used for percentage method is:

$$Percentage = \frac{X}{Y} \times 100$$

Where X= Number of respondents falling in specific category to be measured

Y= Total number of respondents

## 2.4.5.2 Mean

Mean also known as arithmetic average, is the most common measure of central tendency and may be defines as the value which we get by dividing the total of the values of various given items in a series by the total number of items.

$$\overline{X} = \frac{\sum X}{N}$$

Where $\overline{X}$ = arithmetic Mean

$\sum X$= sum of all the values of the variables

N= Number of observations

## 2.4.5.3 Standard Deviation

The standard deviation concept was introduced by Karl Pearson in 1823. The standard deviation measures the absolute dispersion (or variability of distribution), the greater the standard deviation, the greater will be the magnitude of the deviation of the values from their mean. A

small standard deviation means a high degree of uniformity of the observation as well as homogeneity of the series; a large standard deviation means just the opposite. The formula used for standard deviation is:

$$\text{Standard deviation} = \frac{\sqrt{\sum x^2}}{N}$$

Where, $x = (X\text{-mean})$

$N$ = Number of observations

## 2.5 SAMPLE PROFILE

The opinions of the 60 customers of hotels in Shimla and Solan have been collected through questionnaire. The profile of the respondents with respect to gender, age, marital status and occupation has been discussed as follows:

### 2.5.1  Sample profile with respect to gender

| Gender | Number | Percentage |
|--------|--------|------------|
| Male   | 44     | 73.3       |
| Female | 16     | 26.7       |
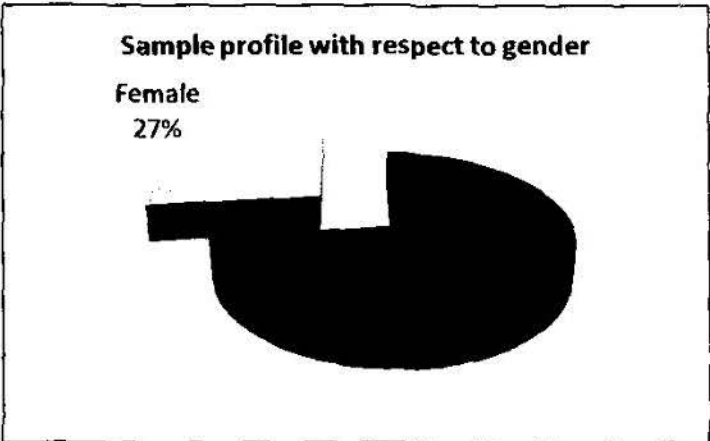


Figure 1

Table 2.5.1 shows the profile of sample with respect to the gender. The chart clearly presents that majority of customers i.e. 40 constituting 73.3% of the sample were males where as only 16 customers i.e. 25% of the sample were females.

### 2.5.2 Sample profile with respect to marital status

Table 2.5.2 presents the sample profile with respect to marital status. From the data, it was inferred that sample comprises of equal number of married and unmarried customers each forming 50% of the sample size.

| Marital Status | Number | Percentage |
|---|---|---|
| Married | 30 | 50 |
| Unmarried | 30 | 50 |
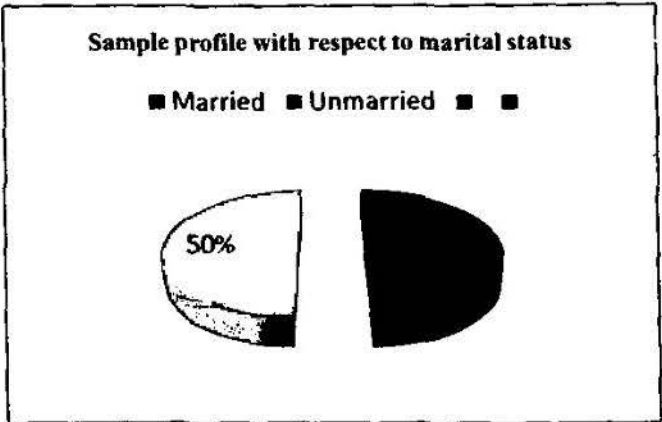


Figure 2

### 2.5.3 Sample profile with respect to age

| Age(in years) | Number | Percentage |
|---|---|---|
| 15-24 | 22 | 36 |
| 25-34 | 26 | 43 |
| 35-44 | 4 | 7 |
| 45-54 | 4 | 7 |
| 55 and above | 4 | 7 |
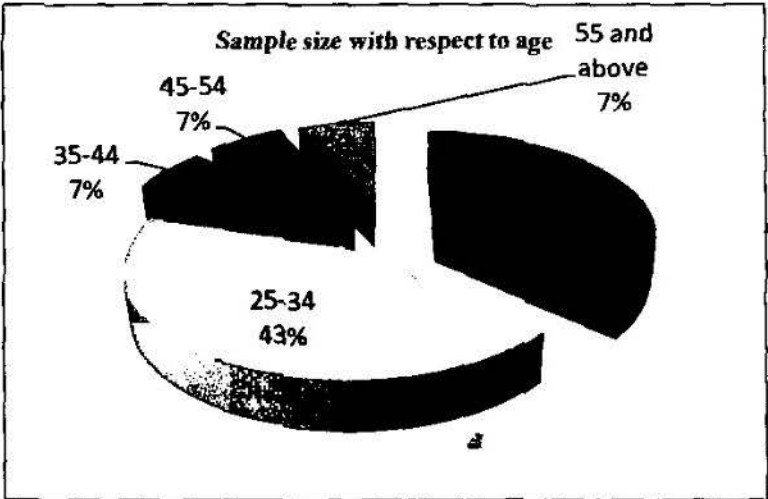


Figure 3

Table 2.5.3 shows the profile with respect to age. Values presented in the table depicts that maximum customers i.e. 26 constituting 43.3 % fall in the age group( 25-34 years) whereas 4 customers i.e. 6.7% each fall in the age groups (35-44 yrs, 45-54 yrs and 55 yrs and above) respectively. The values also show that also the age group (15-24 years) was found to have 22 customers forming 36.7% of the total sample.

## 2.5.4 Sample profile with respect to occupation

| Occupation | Number | Percentage |
|---|---|---|
| Student | 12 | 16 |
| Government Employee | 17 | 23 |
| Private Employee | 14 | 19 |
| Self Employed | 14 | 19 |
| Any other | 17 | 23 |
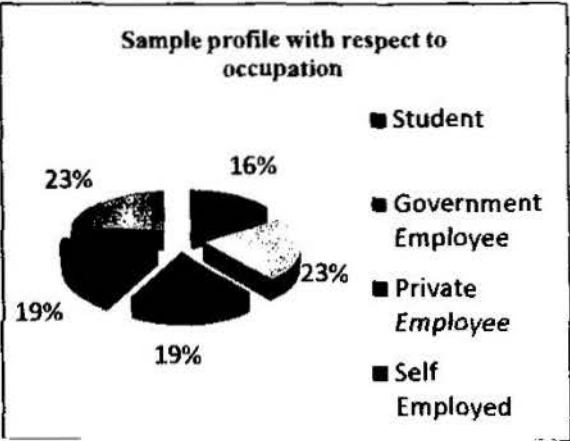


Figure 4

Table 2.5.4 presents sample profile with respect to the occupation. It can be observed that sample consisted of 23% of the government employees, 19% (private employees), 19% (self employed) and 16% (students). It was noted that sample also consisted of 23% of (others) such as housewives, unemployed etc.

# CHAPTER 3

# DATA ANALYSIS AND INTERPRETATION

In the present chapter the opinions of the customers pertaining to the dimensions of customer relationship management such as quality of the edible items, interior decoration, behavior of hotel staff, etc. have been examined. The findings have been discussed as below:

## 3.1 Percentage response of the customers pertaining to different sources that provides the information about the hotels

| Source of Information | Number | Percentage |
| --- | --- | --- |
| Radio | 1 | 1.7 |
| Television | 3 | 5.0 |
| News paper | 5 | 8.3 |
| Publicity | 10 | 16.7 |
| Word of mouth | 11 | 18.3 |
| Friends | 15 | 25.0 |
| Relatives | 12 | 20.0 |
| Others | 3 | 5.0 |
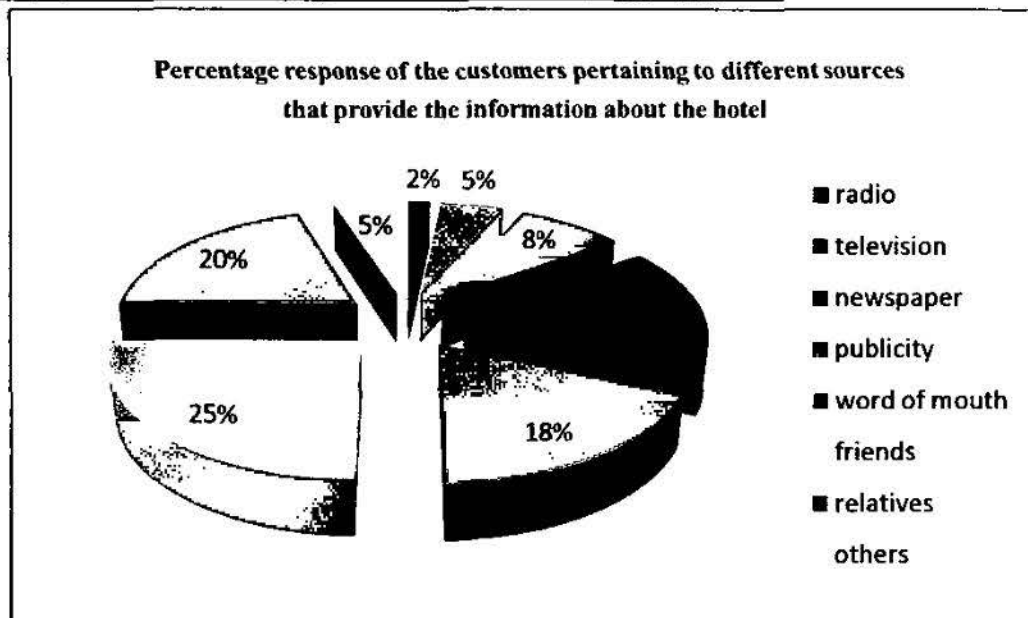


**Figure 5**

Table 3.1 presented the percentage response of the customers pertaining to different sources that provide the information about the hotels. The findings revealed that the majority of the

23

respondents i.e. 15(25%) came to know about the hotel through friends. Further, it was also observed that 20% and 18.3% of the respondents came to know through relatives and word of mouth respectively. However it was also seen that publicity and newspaper also served as an important source of information forming 16.7% and 8.3% respectively. The least helpful sources noted to be was television and radio constituting 5% and 1.7% respectively. Thus from the above findings it can be said that the friends and the relatives were the major source of information to the customers by which they came to know about the hotel.

### 3.2 Percentage opinion of the respondents related to the people who influenced the customers to visit the hotel

| Influencer | Number | Percentage |
|------------|--------|------------|
| Spouse | 9 | 15.0 |
| Family | 13 | 21.7 |
| Friends | 23 | 38.3 |
| Colleagues | 11 | 18.3 |
| Others | 4 | 6.7 |
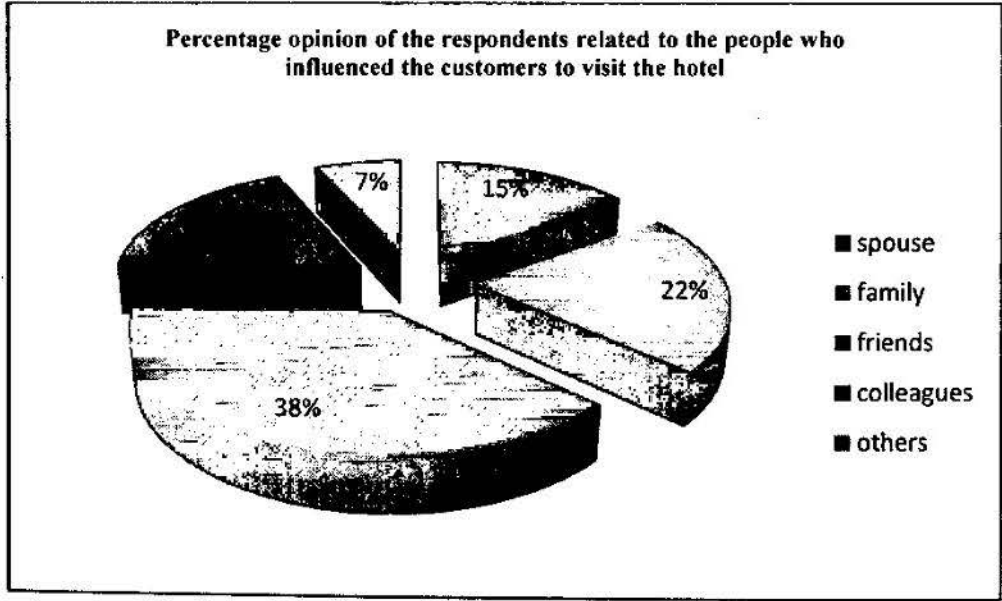


**Figure 6**

Table 3.2 exhibited the percentage opinion of the respondents related to the people who influenced the customers to visit the hotel. The findings revealed that the friends were the main

influencer's i.e. 23(38.3%), followed by the family 13(21.7%) and the colleagues 11(18.3%). It was also noted that 9 respondents constituting 15% have been influenced by the spouse to visit the hotel. Thus it can be said that people tend to get influenced most by the friends.

**3.3 Percentage response of the customers regarding the person with whom the customers have visited the hotel**

| Visit is with | Number | Percentage |
|---|---|---|
| Spouse | 12 | 20.0 |
| Family | 20 | 33.3 |
| Friends | 17 | 28.3 |
| Colleagues | 9 | 15.0 |
| Others | 2 | 3.3 |
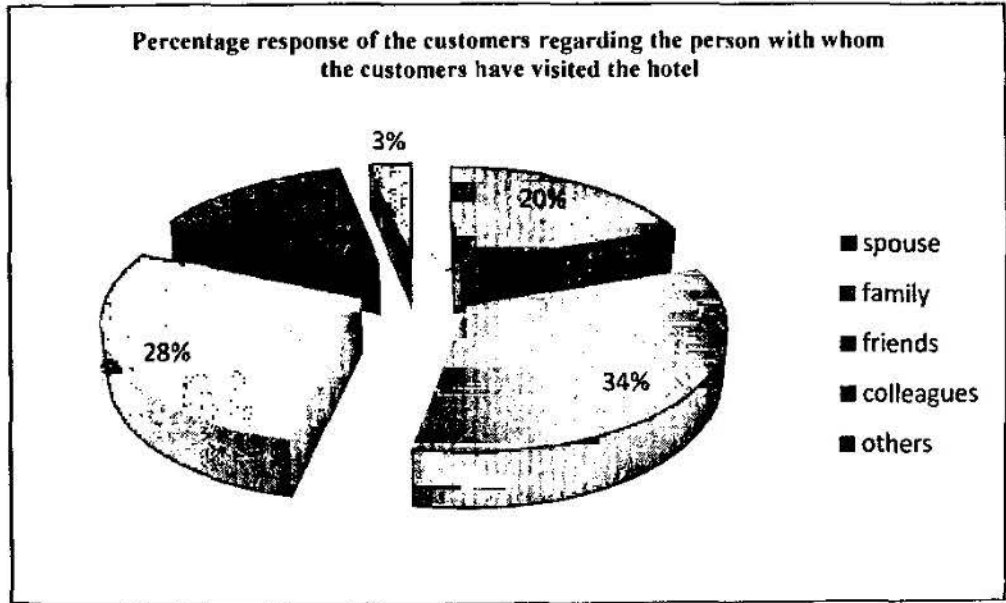


**Figure 7**

Table 3.3 presented the percentage response of the customers regarding the person with whom the customers have visited the hotel. The findings reveal that that the majority of the customers i.e. 20(34%) of the customers visited the hotel with the family while the least number of customers visited with the colleagues i.e. 9(15%). However it was also seen that 28% and 20% of the respondents visited the hotel with their respective friends and spouses respectively. Thus it can be said that most of the people tend to visit the hotel with the family.

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**3.4 Percentage response of customers pertaining to the availability of the food items that were actually mentioned in the menu**

| Availability of items mentioned | Number | Percentage |
|---|---|---|
| Yes | 46 | 77.0 |
| no | 14 | 23.0 |



Percentage response of customers pertaining to the availability of the food items that were actually mentioned in the menu
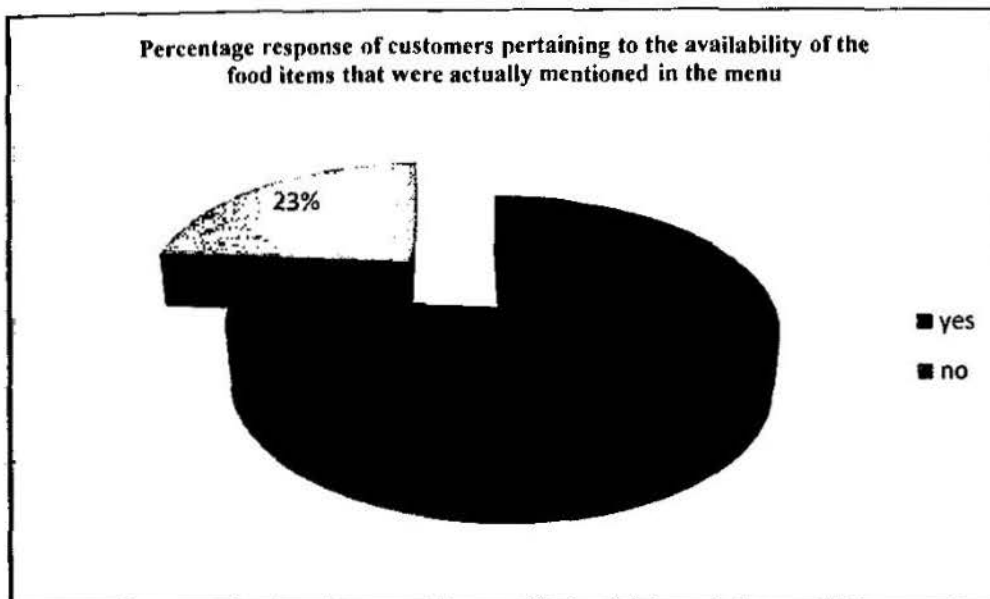
**Figure 8**

Table 4 showed the percentage response of customers pertaining to the availability of the food items that were actually mentioned in the menu. The findings revealed that 46 customers comprising 76.7% agreed that the items that were mentioned in the menu were available and only 14 customers constituting 23.4% of the total respondents denied about the availability of the same. Thus it can be said that the food items that are mentioned in the menu are available.

**3.5 Percentage response of the customers related to the most preferred breakfast item**

Table 5 depicted the percentage response of the customers related to the most preferred breakfast item. The results showed that the most preferred breakfast item by the customer has been dosa as majority i.e. 15 (25%) have shown preference for the same. It was also noted that the customers forming 20% have also revealed their liking for the other items i.e parantha, poha, kacahuri etc. yet the findings also showed that the idli-sambhar and bread toast was found to be preferred by

26

16.7% and 15% of customers respectively in their breakfast. On the basis of findings it can be said that majority of the people like items like parantha, kachauri, poha etc as their breakfast.

| Favorite breakfast item | Number | Percentage |
|---|---|---|
| Idli sambhar | 10 | 17.0 |
| Dosa | 15 | 25.0 |
| Bread toast | 9 | 15.0 |
| Puri | 12 | 20.0 |
| Others (parantha, poha, kachauri etc.) | 14 | 23.0 |
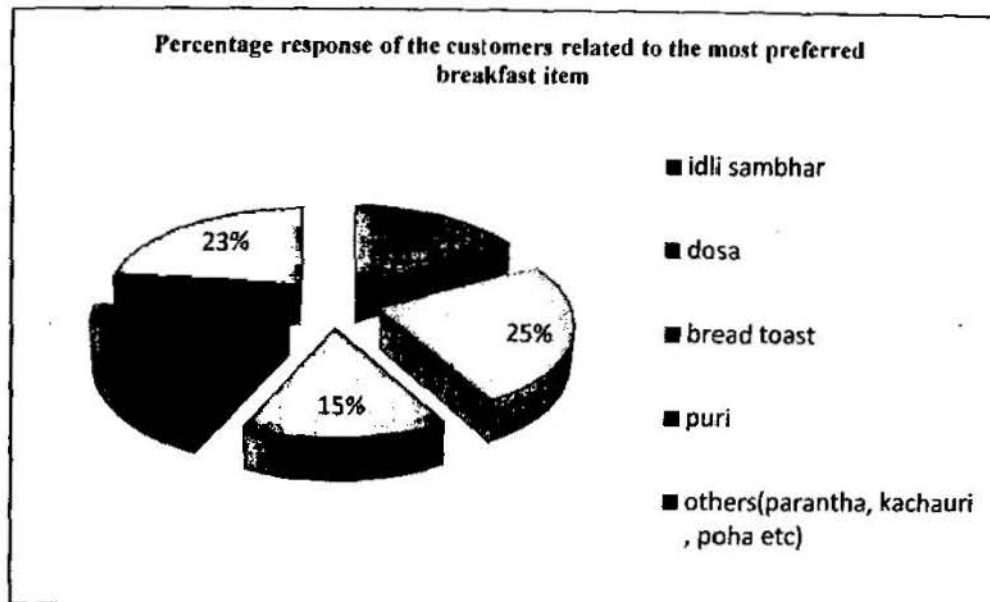


Figure 9

## 3.6 Percentage response of the customers pertaining to their favorite mid day item

Table 3.6 presented the percentage response of the customers pertaining to their favorite mid day item. It can be noted that the meals consisting of vegetarian and non vegetarian thali were most favored item as 20 respondents comprising 33.3% preferred them, followed by vegetable biryani which was preferred by 26.7% of the respondents. However it can be seen that curd rice was preferred by 15(25%) respondents, while roti and parantha were the least preferred items, preferred by 15 and 6 respondents comprising 10% and 3.3% respectively. From the above

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findings we can say that the meals consisting of vegetarian and non-vegetarian thali were the most popular lunch items among the customers.

| Favorite mid day item | Number | Percentage |
|---|---|---|
| Meals (veg. and non-veg. thali ) | 20 | 33.30 |
| Vegetable biriyani | 16 | 26.70 |
| Curd rice | 15 | 25.00 |
| Roti | 6 | 10.00 |
| Parantha | 1 | 1.70 |
| Others | 2 | 3.30 |
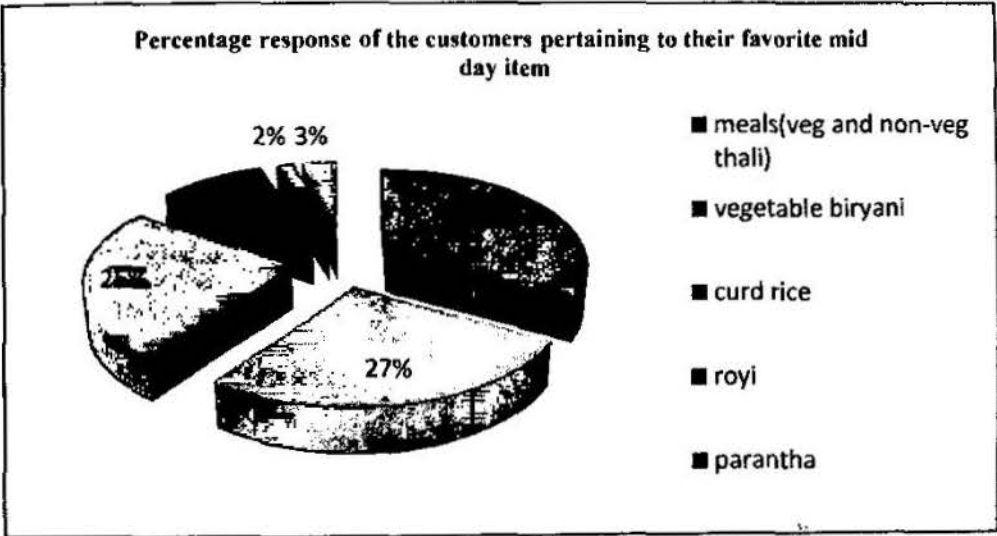


Figure 10

## 3.7 Percentage response of the customers with respect to the type of food preference

Table 3.7 exhibited the percentage response of the customers with respect to the type of food preferred by them. The findings showed that the majority of the customer's i.e.35 (58.3 %) preferred north Indian type. It can be further noted that south Indian and Chinese food have been preferred by 12 and 13 respondents comprising 20% and 21.7% respectively. Thus, it can be said that the North-Indian food items are the most preferred by the customers.

| Food type preference | Number | Percentage |
|---|---|---|
| South Indian | 12 | 20.00 |
| North Indian | 35 | 58.30 |
| Chinese | 13 | 21.70 |
| Andhra Style | 0 | 0.00 |

Percentage response of the customers with respect to the type of food preferemce
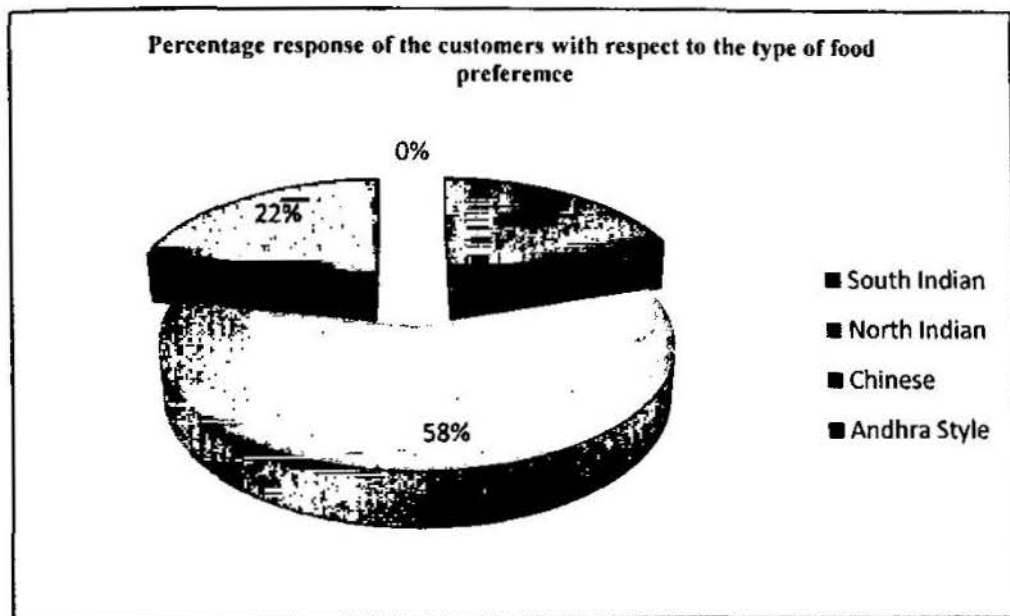


Figure 11

## 3.8 Percentage response of the customers showing their habit of noticing "Today's Special" at the entrance

Table 3.8 exhibits the percentage response of the customers showing their habit of noticing "Today's Special" at the entrance. The findings revealed that the 41 respondents out of the total 60 respondents which comprised 68.3% possessed the habit where as on the other hand 19 (31.7 %) respondents denied any such habit. On the basis of the above observation it can be said that majority of the customers taking their meals at the hotel do notice the board of "Today's Special" at the entrance.

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| Habit of noticing 'today's special' | Number | Percentage |
|---|---|---|
| Yes | 41 | 68.30 |
| no | 19 | 31.70 |



Percentage response of the customers showing their habit of noticing "Todays Special " at the entrance

46%

■ yes
■ no
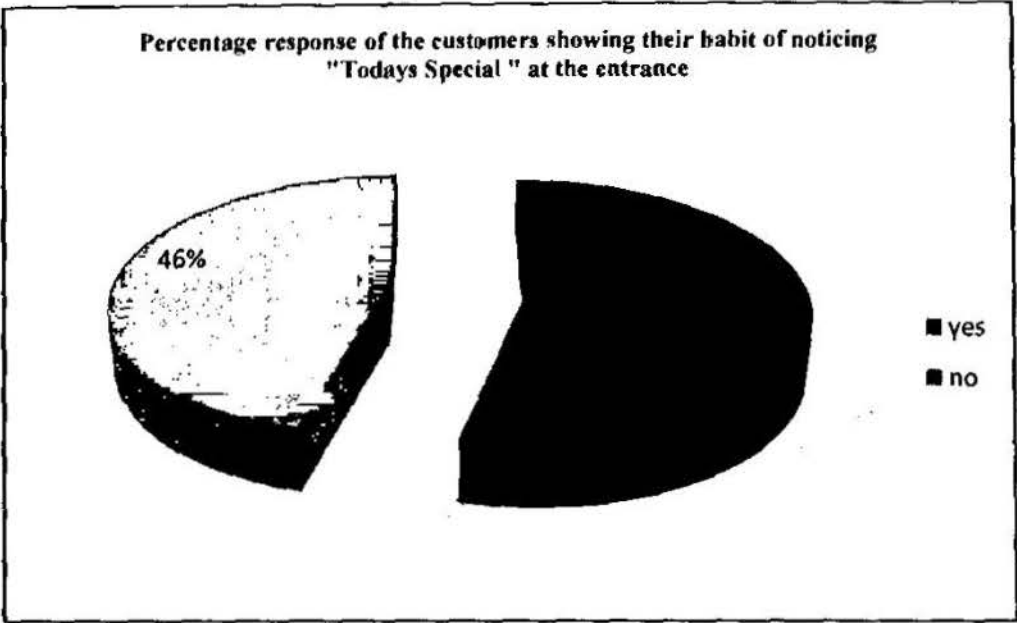
**Figure 12**

### 3.9 Mean showing customer satisfaction with the quality of edible items

Table 3.9 presented the mean values showing the customer satisfaction with the edible items. It can be noted that the customers have given lower mean values i.e. below average to all the food items. The Lower the mean values higher the satisfaction with quality of the food item. The respondents have given highest mean value to savoires(M=2.32) followed by mid-day item(M=2.20), Chinese and chat items with same mean value i.e. (M=2.17); salad and juices(M=2.08); sweets(M=2.05); breakfast items(M=2.00). it was also noted that customers have given equal mean values i.e. (M=1.97) to the coffee/tea and the north Indian dishes. The lowest mean values by the customers have been noted for the ice creams. Thus it can be said that though the customers are satisfied with the quality of all the edibles. However highest satisfaction has been found with ice creams and lowest with savories.

| Opinion about the quality of | Mean | S.D. |
|---|---|---|
| Tea/coffee | 1.95 | .72 |
| Breakfast Items | 2.00 | .71 |
| Mid-day Items | 2.20 | .86 |
| Dinner Items | 1.98 | .77 |
| Chat Items | 2.17 | 1.04 |
| Salad/juices | 2.08 | .92 |
| Ice-creams | 1.87 | .81 |
| Chinese Items | 2.17 | .96 |
| North-Indian Dishes | 1.95 | .87 |
| Sweets | 2.05 | .92 |
| Savories | 2.32 | .93 |

**3.10 Mean values showing the satisfaction of the customers with the interior decoration of the hotel**

| Opinion towards the Interior Decoration | Mean | S.D. |
|---|---|---|
| Lighting | 1.90 | .75 |
| Sofa sets | 2.17 | .86 |
| Sitting Arrangements | 2.00 | .88 |
| Wall Paintings | 2.10 | .89 |
| Screens | 2.07 | .80 |
| Flooring | 2.10 | .73 |
| Ceiling Works | 2.12 | .92 |
| Wood Work | 2.15 | .95 |
| Furniture | 2.17 | .90 |
| Wall Hanging | 2.05 | .85 |

Table 3.10 exhibits the mean values showing the opinion of the respondents towards the interior decoration of the hotel in terms of lighting, sitting arrangement, paintings, screens, flooring,

decoration work on ceilings and wood, furniture and wall hangings . It can be seen that the customers have given lower mean values i.e. below average to all the decorative details in the interior decoration of the hotel. The lower the mean value the higher is the satisfaction with the interior decoration. The customers have given maximum to the furniture (M=2.17) and minimum mean value to the lighting system (M=1.90). It is also noted that mean value for sofa sets in the hotel has been found to be (M=2.17); flooring, paintings and woodwork have the same mean value i.e. (M=2.10). However, the mean value for the screens has been (M=2.07); wall hangings (M=2.05) and the sitting arrangement (M=2.00). Therefore, it can be said that the customers were satisfied with the lighting system of the hotel and also greatly appreciated the sitting arrangement and the decorative wall hangings which were beautifully displayed by the hotel staff. Wall paintings, screens and were equally liked and looked up to by the customers. However they seemed to be comparatively lesser satisfied with sitting arrangements, furniture and tables. Further it can be observed from the collected data that the beautiful designed carvings on the wood and ceilings were also admired by the guests of the hotels.

**3.11 Mean showing the opinion of customers towards the staff members**

| Opinion towards | Mean | S.D. |
|---|---|---|
| Behavior | 2.10 | .96 |
| Hospitality | 2.17 | .94 |
| Neatness | 2.22 | .84 |
| Cleanliness | 2.02 | .93 |
| Approach | 2.33 | .91 |
| Serving | 2.17 | .90 |
| Respect | 2.12 | .94 |
| Addressing | 2.23 | .83 |
| Communication | 2.07 | .91 |
| Billing | 2.25 | .79 |

Table 3.11 represented the mean values with respect to the opinion of the customers towards the staff members behavior, hospitality, neatness and cleanliness, their dressing, their way of approaching the customers, communication and mannerisms like serving and respect. The

respondents have given maximum mean value (M=2.33) to the way of approach towards the customers followed by the billing (M=2.25); addressing (M=2.23) and the neatness (M=2.22). Further, it can be seen that the servings and the hospitality received the same grading points with the mean value (M=2.17). the findings have indicated that lowest mean values has been given to the cleanliness (M=2.02), respect (M=2.12) behavior (M=2.10) and way of their communication (M=2.07). Thus it can be said that respondents have shown the positive opinion about the staff members of the hotels. The staff have maintained proper cleanliness and always communicated properly. Further it can be seen that the behavior of the staff members with the customers and the respect shown towards the customers were also appraised by the respondents. The servings and the hospitality were also appreciated and the customers seemed pleased with it. It can be observed that the neatness in dressing of the staff members was satisfactory to the customers where as the least satisfactory services of the staff were the billing and the way of approaching the customers by the hotels staff members.

### 3.12 Mean value showing the opinion of the customers towards the parking facility

| Opinion towards the | Mean | S.D. |
|---|---|---|
| Parking | 2.32 | .873 |
| Drive-in facility | 2.35 | .799 |
| Location | 2.32 | .745 |

Table 3.12 presents the mean values reflecting the satisfaction of the customers with the parking facility, drive-in facility and location of the hotels. It can be seen that the customers have given the lower the mean value to the higher quality service The findings reveal that the drive-in facility received a trivial above average mean (M=2.35), the location and the parking facility have the same mean values i.e.(M=2.32). Thus we can say that customers were moderately satisfied with the parking space availability, drive-in facility and the location of the hotel.

### 3.13 Percentage opinion of the customers towards the price of the hotel visited by them

Table 3.13 shows the percentage of the opinion towards the price of the visited hotel by the customers when compared with the other hotels. The findings reveal that the majority of the respondents i.e. 35 which comprise 58% of the total respondents found the prices offered by the

hotel reasonable while only 1 respondent which comprise 1.7% found the prices highly non-reasonable. Further it can be seen that according to the 21.7% and 8.3% respondents the prices were moderate and highly reasonable respectively. However 6 correspondents which comprise 10% of the total found the prices non-reasonable.

| Price | Number | Percentage |
|-------|--------|------------|
| Highly reasonable | 5 | 8.3 |
| Reasonable | 35 | 58.3 |
| Moderate | 13 | 21.7 |
| Non Reasonable | 6 | 10.0 |
| Highly non reasonable | 1 | 1.7 |
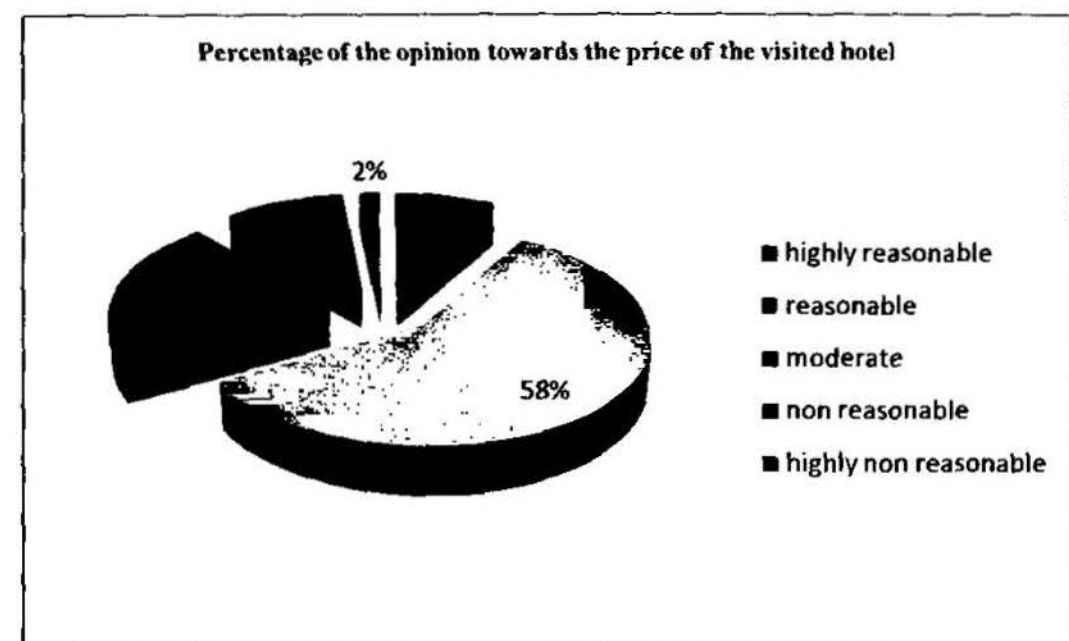


**FIGURE 13**

Table 3.13 shows the percentage of the opinion towards the price of the visited hotel by the customers when compared with the other hotels. The findings reveal that the majority of the respondents i.e. 35 which comprise 58% of the total respondents found the prices offered by the hotel reasonable while only 1 respondent which comprise 1.7% found the prices highly non-reasonable. Further it can be seen that according to the 21.7% and 8.3% respondents the prices were moderate and highly reasonable respectively. However 6 correspondents which comprise 10% of the total found the prices non-reasonable.

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**3.14 Percentage response of the customers pertaining to visiting the hotel again**

| Would like to visit the hotel again | Number | Percentage |
|---|---|---|
| Yes | 48 | 80 |
| no | 12 | 20 |



Percentage response of the customers pertaining to visit the hotel again

20%

■ yes
■ no
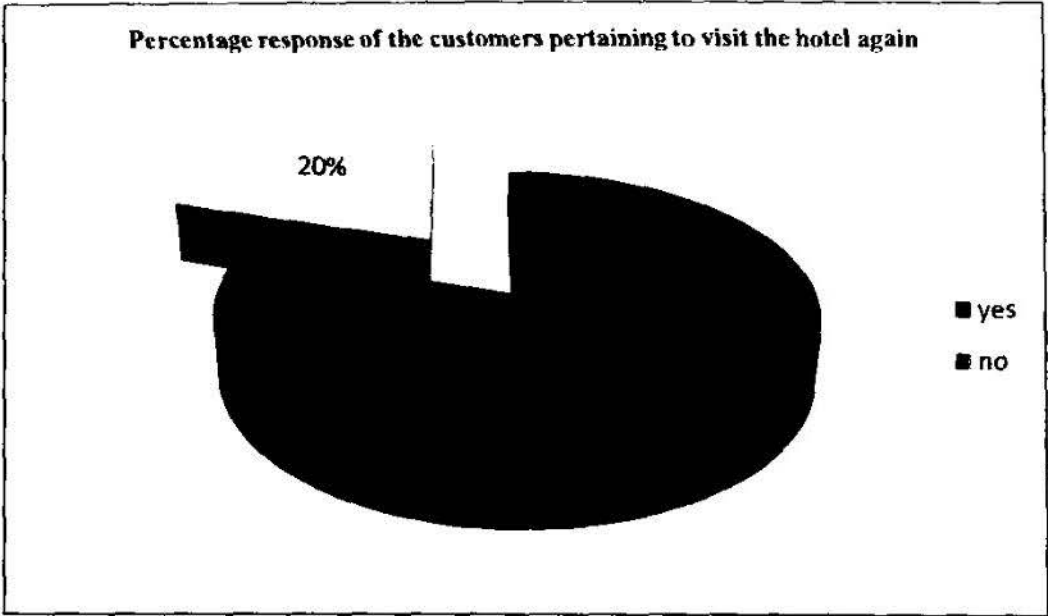
**Figure 14**

Table 3.14 shows the percentage analysis of the willingness of customers to like to visit the hotel again. The findings indicated the majority of the respondents i.e. 48 comprising 80% would like to visit again where as remaining 20% would not like to visit again.

**3.15 Percentage response of the customers pertaining to recommending the hotels they visited to others**

Table 3.15 depicted the percentage of the customers who would like to recommend the hotels they visited to others. The results revealed that the majority of the respondents i.e. 81.7% of the total would recommend it to others where as 8.3% showed their reluctance in recommending the hotel to others recommend the hotel to others.

| Would you recommend the hotel to others? | Number | Percentage |
|---|---|---|
| Yes | 49 | 81.7 |
| No | 11 | 18.3 |

**Percentage response of the customers pertaining to recommend the hotels they visited to others**

18%

■ yes
■ no
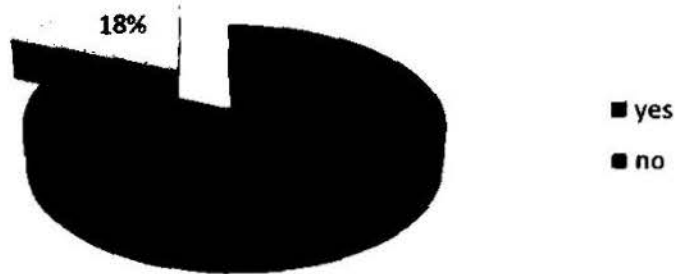
**Figure 15**

From the overall interpretation it can be said that the customers who visited the hotel were satisfied with the facilities provided by the hotel and it was also seen that the quality of the food, services, facilities like parking, drive-in, price, interior decoration and the staff personality played a very important role in the satisfaction of the customer which will further lead to the customer loyalty, as the happy and satisfied customer would like to visit the hotel again. Further it can be noted that the majority of the customers came to know about the hotel through friends, relatives etc and visited the hotel with their family and friends. Also result revealed that the customers who were quenched with their overall experience with the hotel would like to visit again and would also like to recommend it to others.

# CHAPTER 4

## Findings, Conclusions and Suggestions

In the present chapter the findings pertaining to the opinions of the respondents on dimensions of customer relationship has been discussed and the conclusions have been drawn. Further the suggestions have been given. The findings and the conclusions are highlighted as below:

➤ It was observed that there were three major sources of information i.e. friends, relatives and the third being the word of mouth through which the customers came to know about the hotel. It was also noted that the least important source of information was the radio. Thus, it is concluded that friends, relatives have been important and reliable source as people are likely to get influenced more by those whom they trust and with whom they are closely linked. Word of mouth have a major influence on what people talk, love and know about any commodity, product or a service. Moreover, the customers who have visited a particular hotel share their experiences about products, services, quality, etc. Word of mouth is a source of reliable marketing as it comes from actual and unbiased experiences.

➤ The major influencers who influenced and convinced the customers to visit the hotel were noted to be their friends as 23 respondents which comprise 38% of the customers visited the hotel through the reference of their friends. The least influencers were found to be spouses and it was also observed that the majority of the customers visited the hotel with their family. Thus on the basis of the findings it is concluded that the major influencers were the friends.

➤ The findings pointed that the items that were mentioned in the menu were available in the hotel. Thus, it is concluded that the authorities of the hotels ensure that all the items which have been mentioned in the menu are available. Failing to do so can create bad image of the hotels and can lead to customer turnover.

➤ On the basis of findings it can be said that the customers preferred the most the regular meals which consisted of vegetarian and non-vegetarian thali followed by vegetable biryani and the curd rice as their lunch and in the breakfast the items like parantha, kachauri, poha etc were the most popular.

➤ The findings revealed that the majority of the customers taking their meals at the hotel do notice the board of "Today's Special" at the entrance.

➤ The customers were found to be satisfied with the quality of all the edibles out of which the highest satisfaction level was found with ice-creams and the lowest for savories. Thus it can be concluded that the management of the hotels has been very careful in ensuring that the edibles which are served in their hotels are of good quality and are relished by the customers.

➤ It was noted that the customers were satisfied with the lighting system of the hotel and the sitting arrangement as well as the decorative wall hangings which were beautifully displayed by the hotel staff were equally liked and appreciated. It is concluded that that besides the quality of edibles the management is also concerned with the interior decoration of the hotels so that customers are attracted towards the same and are retained for longer.

➤ The findings indicated positive opinion about the staff members on the neatness and cleanliness maintained by them; their behavior, serving, hospitality, approach, respect and the way of their communication and addressing the customers. Thus, it is concluded that staff of the hotels is well trained and behaves very professionally with the customers.

➤ The customers seemed very fulfilled and satisfied with the parking facility available in the hotel and its location but were moderately satisfied with drive-in facility due to the congested space availability.

➤ The majority of the customers found the price of the hotel reasonable. It was also observed that the majority of the customers strongly agreed that they would like to visit the hotel again and would also recommend it to others. Thus, it is concluded that customers' satisfaction with the quality of edibles, behavior of the staff, services of the hotels, location, prices, etc. have influenced the customers to an extent that they are ready to visit the same again and not only this they would also recommend it to others. The customer relationship management besides increasing customer satisfaction has enabled hotels to gain customer loyalty and retention.

# SUGGESTIONS

- As the hotels taken in the study are located in the hill stations therefore they must pay proper attention towards the construction as well as other services like parking space and drive in facility.

- Although the customers of the hotels under study were found to be satisfied with CRM. However, it is suggested that more inputs and novelty needs to be integrated in the implementation of the customer relationship management strategies in order to sustain customer satisfaction which will further lead to the customer loyalty. The satisfied and the loyal customer have a lot of benefits for hotels such as increase in the rate of retention, increase revenue and profitability, reduce internal cost, decrease marketing cost, improving customer service, positive word of mouth, market share growth, improved marketing methods, better understanding of the customer requirements and protect marketing investment with maximum returns. All these benefits of a hotel can be a source for long term and sustainable competitive advantage.

- The hotels need to give special attention to the menu card's "Today's Special" column by adding new items, menu redesign, identity development ( e.g. logo, feel, color etc.) and even rewriting the names and descriptions of the items in order to boost the sales and customer satisfaction.

- The managers and proprietors of hotels should accord necessary recognition to professionalism and staff training to achieve customer satisfaction as it is the staff with whom the customers come directly in contact with.

- Recognition of the importance of hotel design both from an architectural and interior design perspective should be realized by managers and owners of hotels as the physical environment of hotels is one of the best drives for customers' selection and recommendations of hotels to their friends and relatives.

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# ANNEXURE

# QUESTIONNAIRE

Respected Sir/Madam

I am working on the project entitled, "A study on consumer relationship management in hotels in Solan and Shimla town" as part of MBA curriculum. Kindly read the following statements carefully and give your response. I assure you whatever information is provided by you will be used for research and academic purpose and will be kept confidential. I shall be highly grateful to you for your cooperation.

## Part-A

1. Name: ............ (Optional)　　　2. Gender: M/F

2. Age: ........... (Years)　　　4. Marital status: Married/ Unmarried

5. Occupation: ............　　　6. Annual income: ...........

## Part-B

This questionnaire contains the items related to the hotel and the services offered by them. Tick mark the best option that describes how frequently you behave or act that way. Please give the first response that comes into your mind and do not omit any question. There is no right or wrong response.

1. How you came to know about our hotel?
(a) Radio [ ]　　　(b) Television [ ]　　　(c) News Paper [ ]
(d) Publicity [ ]　　　(e) Word of Mouth [ ]　　　(f) Friends [ ]
(g) Relatives [ ]　　　(h) Others Specify.....................................

2. Who influenced you to visit the hotel?
(a) Spouse [ ]　　　(b) Family [ ]　　　(c) Friends [ ]
(d) Colleagues [ ]
(e) Others Specify..............................

3: Your visit to the hotel is with:
(a) Spouse [ ]　　　(b) Family [ ]　　　(c) Friends [ ]
(d) Colleagues [ ]　　　(e) Others Specify...............................

4. Whether the items mentioned in the menu is available:
(a) Yes [ ]　　　(b) No [ ]

5. Which is your favorite Breakfast item?
(a) Idli Sambar [ ]　　　(b) Dosa [ ]　　　(c) Roast [ ]
(d) Puri [ ]　　　(e) Pongal [ ]　　　(h) Others Specify..................

6. Which is your favorite Mid Day Food Item?
(a) Meals [ ]　　　(b) Vegetable Biriyani [ ]　　　(c) Curd Rice [ ]

(d) Roti [ ]                    (e) Parotta [ ]                    (h) Others Specify...................

7. What type of food do you prefer?
(a) South Indian [ ]          (b) North Indian [ ]          (c) Chinese [ ]
(d) Andhra Style [ ]          (e) others specify [ ]

8. Do you have a habit of noticing "Today's Special" at the entrance
(a) Yes [ ]                    (b) No [ ]

9. Your opinion about quality provided:

**HS-** highly satisfied   **S-** satisfied   **M-** moderate   **DS-** dissatisfied   **HDS-** highly dissatisfied

| | Opinion about the quality of | HS | S | M | DS | HDS |
|---|---|---|---|---|---|---|
| 1 | Coffee / Tea | | | | | |
| 2 | Breakfast Items | | | | | |
| 3 | Mid Day Items | | | | | |
| 4 | Dinner Items | | | | | |
| 5 | Chat items | | | | | |
| 6 | Salads / Juices | | | | | |
| 7 | Ice creams | | | | | |
| 8 | Chinese Items | | | | | |
| 9 | North Indian Dishes | | | | | |
| 10 | Sweets | | | | | |
| 11 | Savories | | | | | |

10. Your opinion towards the interior decoration of the hotel:

| | Opinion towards Interior Decoration | HS | S | M | DS | HDS |
|---|---|---|---|---|---|---|
| 1 | Lighting | | | | | |
| 2 | Sofa sets | | | | | |
| 3 | Seating Arrangement | | | | | |
| 4 | Wall Paintings | | | | | |
| 5 | Screens | | | | | |
| 6 | Floorings | | | | | |
| 7 | Ceiling Works | | | | | |
| 8 | Wood Works | | | | | |
| 9 | Furniture and Tables | | | | | |
| 10 | Wall Hangings | | | | | |

11. Your opinion towards the staff members:

| | Opinion towards | HS | S | M | DS | HDS |
|---|---|---|---|---|---|---|
| 1 | Behavior | | | | | |
| 2 | Hospitality | | | | | |
| 3 | Neatness | | | | | |
| 4 | Cleanliness | | | | | |
| 5 | Approach | | | | | |
| 6 | Serving | | | | | |
| 7 | Respect | | | | | |
| 8 | Dressing | | | | | |
| 9 | Communication | | | | | |
| 10 | Billing | | | | | |

12. Your opinion towards parking facility:
(a) Highly Satisfied [ ]     (b) Satisfied [ ]     (c) Moderate [ ]
(d) Dissatisfied [ ]     (e) Highly Dissatisfied [ ]

13. Your opinion towards Services of our hotel as compared to other Hotels:

(a) Highly Satisfied [ ]     (b) Satisfied [ ]     (c) Moderate [ ]
(d) Dissatisfied [ ]     (e) Highly Dissatisfied [ ]

14. Your opinion towards Drive –Inn facility of our hotel as compared to other Hotels:
(a) Highly Satisfied [ ]     (b) Satisfied [ ]     (c) Moderate [ ]
(d) Dissatisfied [ ]     (e) Highly Dissatisfied [ ]
15. Your opinion towards Locations of our hotel as compared to other Hotels:
(a) Highly Satisfied [ ]     (b) Satisfied [ ]     (c) Moderate [ ]
(d) Dissatisfied [ ]     (e) Highly Dissatisfied [ ]

16. Your opinion towards Price of our hotel as compared to other Hotels:
(a) Highly Reasonable [ ]     (b) Reasonable [ ]     (c) Moderate [ ]
(d) Non Reasonable [ ]     (e) Highly Non Reasonable [ ]
17. Do you like to visit again?     Yes/ No

18. Will you recommend others to visit the hotel?     Yes/ No

19. What suggestions would you like to give for our hotel?

..................................................................................................................................

..................................................................................................................................

# Rachita Kashyap ( MBA- Marketing)

H.No. 82, phase-1,

Housing Board Colony, Saproon,

Solan (H.P.)

Contact number- (+91)9459785590

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## Career Objective

To excel in my field through hard work, research, skills and perseverance. To serve my parents, and my country with the best of my abilities.

## Academic Profile

| Qualification | Board/ University | School/ College | Year of Passing | Percentage of Marks |
|---|---|---|---|---|
| MBA (Marketing) | Dr. Y.S. Parmar University of Horticulture and Forestry, Solan (H.P.) | College of Horticulture, UHF, Nauni. | 2014 | 76% (till 3$^{rd}$ semester) |
| B.Tech (Electronics and Communication) | Eternal University, Baru Sahib | Akal College of Engineering and Technology | 2012 | 68% |
| 10+2 (Medical + Maths) | C.B.S.E. | B.L. Central Public School | 2007 | 62% |
| 10 | C.B.S.E. | St. Luke's Sen. Sec School | 2005 | 84% |

## Projects/ Training

- At present, doing Project on A Study on Customer Relationship Management in the Hotels in Solan and Shimla Town.
- Worked on a project "Home Automation System", Akal College of Engineering and Technology, Baru Sahib
- Six week training in Baghat Urban Co-operative Bank, Solan.

- Six week training in Himachal Futuristic Communication Ltd.
- Six week course in C and C++ languages.
- Four week industrial Training in Institute (Akal College of Engineering and Technology) Workshop.

## Extra Curricular Activities

- Member of the organizing committee of the inter college fests as the class representative during graduation.
- Participated and won rangoli competitions during the college fests.
- Volunteered for an NGO named Ruchi for establishing a drinking water facility in Sirmour district of H.P.

## Computer proficiency

- Well conversed with internet applications and general browsing.
- Usage of Microsoft Office.
- Knowledge of computer languages such as C and C++.

## Strengths

- A hard working person with good adaptability and capability of working under varied environmental conditions.
- Have good communication skills.
- A quick learner and I always want to learn new things.
- Have inculcated some good leadership qualities over my academic carrer and I am determined to utilize my leadership qualities in my professional carrer.

## Interests and Hobbies

- Reading
- Cooking
- Travelling
- Listening to music

## Personal Details

Fathers Name: Dr. S.D. Kashayp

Mothers Name: Dr. Lata Kashyap

D.O.B: 21/01/1990

Nationality: Indian

Gender: Female

Marital Status: Single

Languages Known : Hindi, English, Punjabi

**Declaration:** I hereby declare that the above particulars are true to the best of my knowledge and belief.

**Rachita Kashyap**