Problems of Customer Relationship Management Practices in the Accommodation Sector of Kerala

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Abstract—*Tourism as an industry is an experience that has a budding existence in the dynamics of the global economy. Accommodation and lodging are the essential constituents of the tourism and hospitality industry. In the accommodation sector, gigantic buildings and food apparatus do not issue but the excellence and standard of delivery of the services do renowned as an imperative factor. Customer relationship management is more intricate than ever as marketing channels allow for ever-more urbane targeting and content delivery. Since the area is of significant, Customer Relationship Management must give due importance to the satisfaction of the customers. The problems of CRM practices are common in the accommodation sector. Hence an attempt has been done to examine the problems of CRM practices in the accommodation sector of Kerala.*

Keywords: *Customer Relationship Management, CRM practices, Accommodation sector.*

1. INTRODUCTION

Tourism is a global phenomenon. In the world, tourism is the main source of revenue to many countries. Serv**ices provided by the various accommodation centres differ from one another.** The comprehensive likeness projected by the tourism and hospitality industry is dependent on consumer decision-making. The outlook and actions of staffs at the tourism and hospitality industry is highly critical for its success. **Therefore understanding the customers identify their taste and preference, judge the attitude and perception of the customers are vital for this sector. Generally, customers raise complaints like 'not redeem the money back' or 'not convinced for payment of extra charge' or** 'absence of knowledge about the check-in and checkout time' **or 'improper performance of AC/ Wi-Fi/room service' and so on. Therefore, Customer Relationship Management must bestow a thorough evaluation of the customers on a daily basis, as the system demand continuous feedback.**

Practically, it is difficult to understand the individualised needs of the customers. At the same time, if it had identified a common preference of a customer, and if it **applies generally, the result would have been superfluous. Hence, proper education for the evaluation is absolutely necessary for the employees in the accommodation sector and it is need of the hour. In this context it is rightly** observed the words of Will Durant 'Sixty years ago I knew everything; now I know nothing; education is a progressive discovery of our own ignorance'.

The customer relationship is a severe challenge for the tourism industry in Kerala. Understanding the expectations and perceptions of tourists are very essential in the tourism industry. Tourists mainly taking decision based on destination satisfaction, service quality attributes, relationship quality and retention strategies adopted by the Destination Management Organisations (DMOs) in the organised and unorganised sectors of the tourism industry. This will facilitate for planning and growth of its customisation efforts. In future, the tourism industry of Kerala will be developed only through tourist-centred designing and marketing of products and services by making tourist-friendly policymaking, eco-friendly development and utilisation of the potentials of the untapped destinations**(Source: www.unep.org, 2014)**

2. IMPORTANCE OF THE STUDY

Among the various Destination Management Organisations (DMOs), the role played by the accommodation sector (Hotel industry) is pivotal. What we offer in the tourism industry is an elusive product. Customers will never sense or practice the product presented if not it has bought it. So, when the customers enjoy the services offered, the employees of the accommodation sector must provide the best service possible so they will feel contented using the services. All the services provided such as guest greeting, availability of a clean and tidy room, foods and beverages, provision of accurate information and so on are all types of hospitality. Relationship with customers is recently notable as a key point to set the competent authority of an organization.

Usually, the visitors (tourists) get matching services from the different accommodation sector. But in such a situation, Customer Relationship Management acts only distinguishing factor which helps the customer to opt for a service which suits them. This study closely examines the problems of CRM practices in the accommodation sector of Kerala through the perception level of employees and the improvements in CRM practices in the accommodation sector.

3. LITERATURE REVIEW

Bhatnagar, Vishal (2010) in his doctoral thesis "Application of Data mining techniques in CRM for Competitive advantage in business organizations" studied the evaluation of the process of CRM for improving the relationship with the customer; operational CRM and collaborative CRM. The study found that the application of data mining in the retail sector was profitable. CRM has provided solutions for some crucial problems such as identify customers, buyer behaviour, discover customers shopping patterns, trends, improve the quality of customer service, and achieve better customer retention and satisfaction.

Blesic, Ivana (2011) evaluated consumers' satisfaction in the hospitality industry. The study found that service quality was a vital factor which facilitated to satisfy the guests and also promote developments in future economic activity. The study argued that guests, in general, were not happy with hotel services. The study concluded that market segmentation played a key role in the business of hospitality industry.

Bucak (2014) studied the service quality of hotels related to customer satisfaction. The study noted that giving good quality services means satisfying the customers through enhancing the value of the customer. The study found that empathy was a very urgent factor which positively influences the satisfaction level of customers.

Chithra V G (2015) in her doctoral thesis "A study on Customer Relationship Management in the service sector with special reference to Tourism Industry in Kerala" analyzed the degree of influence of different antecedents on perceiving the quality of CRM practices of tourism providers by tourists. Destination image, corporate brand image, referral quality, CRM quality, Revisit retention, positive word of mouth and variety seeking behaviour were the important yardsticks used for the study. The findings of the study pointed out that the referrals from previous visitors have a strong potential to bring quality to the CRM efforts of service providers, which should adopt strategies to maintain an enduring relationship with the customers. Tourism providers in Kerala should necessarily take steps to build positive word of mouth from their present visitors to pull off a competitive advantage over their counterparts.

Devaki (2013) in her doctoral thesis "Customer Relationship Management practices of the Commercial Banks in Perambalur District" focused the need and importance of Customer Relationship Management in general and banking industry in particular and also reviewed the CRM practices and customer perception of the select commercial banks. The study revealed that customers were highly satisfied with the CRM practices, service quality, customer interaction management and customer retention management of the commercial banks and that CRM played a vital role in the banking industry.

4. OBJECTIVES OF THE STUDY

1. Objective: - To categorize the problems of CRM practices in the accommodation sector of Kerala.

2. Objective: - To examine the improvements in CRM in the accommodation sector of Kerala.

5. HYPOTHESIS

1. Hypothesis: - There is no significant difference in the problems of CRM practices in the accommodation sector of Kerala.

2. Hypothesis: - There is no significant difference in the improvements in CRM in the accommodation sector of Kerala.

6. METHODOLOGY

The present study is analytical in nature and covers Employee's Perception towards problems of CRM Practices in the accommodation sector in Kerala. Both primary and secondary sources were used to collect primary and secondary data respectively. **The data for the present study has been collected from the 58 KTDC and 221 Private sector employees, who are in charge of** Customer **Relationship Management** at the accommodation sector in Kerala. Secondary data were collected from various publications of Department of Tourism, Government of Kerala, articles, published and unpublished thesis and related websites.

7. RESULTS AND DISCUSSION

7.1. Objective: - To categorize the problems of CRM practices in the accommodation sector of Kerala.

1. Hypothesis: - There is no significant difference in the problems of CRM practices in the accommodation sector of Kerala.

The problems of CRM practices are common in the accommodation sector. Hence an attempt has been done to examine the problems of CRM practices in the accommodation sector of Kerala. The details of the analysis done in this direction are shown below.

Table 1

KMO and Bartlett's Test- Problems of CRM practices

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.578
Bartlett's Test of Sphericity	Approx. Chi-Square	9254.382
	df	105
	Sig.	.000

Source-Primary data

Kaiser-Meyer-Olkin Measure of Sampling Adequacy showed that there is moderate-high adequacy of the sample, which is precise as per the CV of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (0.578). Bartlett's Test of Sphericity is significant as the p-value is less than 5%. This means there is an association among the components forming for evaluating the problems of CRM practices in the accommodation sector of Kerala.

Table 1.1: Communalities- Problems of CRM practices

Problems of CRM practices	Initial	Extraction
Governance interference	1.000	.940
Poor public infrastructure	1.000	.631
Improper public waste management system	1.000	.842
Unhygienic and unsanitary environment	1.000	.608
Lack of internationally accredited hotels	1.000	.906
Lack of coordination among public system	1.000	.752
Awful competition among corporate	1.000	.908
Absence of professionally trained staff	1.000	.792
The lackadaisical attitude of the management and staff	1.000	.966
Improper communication facility	1.000	.833
Non-cooperation of the customers	1.000	.848
Lack of co-operation from civic authorities	1.000	.807
Improper implementation at the grassroots level.	1.000	.865
Common reactions to the frustration between customer and employees	1.000	.878
The disagreement between upper and lower strata employees	1.000	.752
Extraction Method: Principal Component Analysis.		

Source-Primary data

Explorative Factor Analysis was performed to examine the Problems of CRM practices in the accommodation sector of Kerala. Accordingly, the extraction values of components namely 'Lackadaisical attitude of the management and staff'; 'Governance interference' and 'Lack of internationally accredited hotels' got high values as .966, .940 and .906 respectively. Similarly, almost all the components got high extraction values.

Table 1.2: The cumulative effect-- Problems of CRM practices

Comp onent	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumula tive %	Total	% of Variance	Cumula tive %
1	9.296	61.974	61.974	9.296	61.974	61.974
2	1.995	13.301	75.276	1.995	13.301	75.276
3	1.036	6.910	82.186	1.036	6.910	82.186
4	.955	6.369	88.555			
5	.724	4.825	93.380			
6	.389	2.594	95.973			
7	.250	1.665	97.638			
8	.145	.965	98.603			
9	.096	.642	99.245			
10	.075	.500	99.745			
11	.017	.112	99.857			
12	.010	.064	99.921			
13	.008	.054	99.975			
14	.003	.023	99.998			
15	.000	.002	100.000			

Source-Primary data

There are three factors identified to define the Problems of CRM practices in the accommodation sector of Kerala. The effect of the first factor is 61.974%, the cumulative effect of the second factor is 75.276% and the cumulative effect of the third factor is 82.186%.

Table 1.3: Rotated Component Matrix – Problems of CRM practices

Problems of CRM practices	Component		
	1	2	3
Lack of sagacious dexterity			
Common reactions to the frustration between customer and employees	**.911**	.114	.184
Improper implementation at the grassroots level.	**.879**	.271	.138
The disagreement between upper and lower strata employees	**.829**	.182	.180
Lack of co-operation from civic authorities	**.798**	.399	.104
Unhygienic and unsanitary environment	**.701**	.200	.277
Poor public infrastructure	**.679**	.403	.093
The dearth of apt information management			
The lackadaisical attitude of the management and staff	.121	**.957**	.189
Awful competition among corporate	.234	**.899**	.214
Non-cooperation of the customers	.375	**.794**	.277
Improper communication facility	.432	**.779**	.199
Absence of professionally trained staff	.520	**.641**	.333
Absence of Corporate culture			
Lack of internationally accredited hotels	.581	.120	**.744**
Lack of coordination among public system	-.121	.471	**.718**
Governance interference	.620	.248	**.703**
Improper public waste management system	.473	.461	**.637**
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Source-Primary data

The Problems of CRM practices in the accommodation sector of Kerala gives three most important answers. The coefficient value of the following components namely 'Common reactions to the frustration between customer and employees' (0.911), 'Improper implementation at grassroots level' (0.879) , 'Disagreement between upper and lower strata employees' (0.829), 'Lack of co-operation from civic authorities' (0.798) , 'Unhygienic and unsanitary environment' (0.701), and 'Poor public infrastructure' (0.679) is high in the first factor and is termed as **"Lack of sagacious dexterity***"***.

The coefficient value of the following components namely 'The Corporate must adopt fair pricing' (0.883), 'Lackadaisical attitude of the management and staff' (0.957), 'Awful competition among corporate' (0.899), 'Non-cooperation of the customers' (0.794), 'Improper communication facility' (0.779), and 'Absence of professionally trained staff' (0.641) 'is high in the second factor and is termed as **"Dearth of apt information management***"***.

The coefficient value of the following components namely 'Lack of internationally accredited hotels' (0.744), 'Lack of coordination among public system' (0.718) , 'Governance interference' (0.703) and 'Improper public waste management system' (0.637) is high in the third factor and is termed as **"Absence of Corporate culture***"***.

7.2 Improvement of CRM practices

The inspiration of CRM practices in the accommodation sector of Kerala is an imperative concept associated with the organizations to recognize the impact of CRM on the performance. Therefore, it is necessary to know its improvements. Abundant studies have attempted to know the relationship between corporate performance and CRM. The field of CRM has developed exponentially in the last decade. Nowadays most of the accommodation sector apply CRM and it is a term describing an accommodation sector's well being of all the stakeholders. Thus, with reference to the improvements of the CRM, multiple responses are available. But, no specific studies have been carried out by the researcher to examine the improvements in the CRM in the accommodation sector of Kerala. Since the area is of highly significant, the researcher has decided to introduce Discriminant Analysis to verify the improvements of the CRM.

7.2. Objective: - To examine the improvements in CRM in the accommodation sector of Kerala.

2. Hypothesis: - There is no significant difference in the improvements in CRM in the accommodation sector of Kerala.

Table 2: Descriptive Analysis - *Improvements* to the CRM

Improvements in CRM	KTDC		Private	
	Mean	Std. Deviation	Mean	Std. Deviation
Inimitability in workplace traditions	3.400**	.9648	3.352**	.9482
Underline the rules, outlook, and benchmark for the workplace	3.625***	.8434	3.615***	.8424
Recognize workplace multiplicity	3.643***	1.0519	3.634***	1.0403
Facilitates communication between employees	3.071**	.9507	3.131**	.9623
Fortify the significance of training and development	3.125**	.9354	3.146**	.9578
Eradicate employee ambiguity	3.536***	.8937	3.606***	.8711
Management and implementation of the Customer feedback system	3.518***	.8737	3.563***	.8253
Effective grievances redressal practices	3.411**	.7811	3.451**	.7420
Punctuality and presence of staff on need	2.929**	1.1419	2.925**	1.1427
Employee's services at the promised time	3.482***	.9533	3.516***	.9346
Maintaining proper relationship with customers	3.518***	.6322	3.516***	.6189
Ensuring the assured services before demand	3.375**	.7523	3.347**	.7342
Courteous behaviour of the employee	3.250**	.8367	3.221**	.8028
Personal and individual attention	3.571***	1.0244	3.535***	.9833

Source-Primary data;*- Low;**-Moderate;***High

With reference to the improvements of the CRM practices in the accommodation sector of Kerala. The statements namely 'Underline the rules, outlook, and benchmark for the workplace' (Mean-KTDC=3.62, Private=3.61); 'Recognize workplace multiplicity' (Mean-KTDC=3.64, Private=3.63); 'Eradicate employee ambiguity' (Mean-KTDC=3.53, Private=3.60); 'Management and implementation of Customer feedback system' (Mean-KTDC=3.51, Private=3.56); 'Employee's services at the promised time' (Mean-KTDC=3.48, Private=3.51); 'Maintaining proper relationship with customers' (Mean-KTDC=3.51, Private=3.51) and 'Personal and individual attention' (Mean-KTDC=3.57, Private=3.53) got high level support from the employees.

Similarly, the statements namely 'Inimitability in workplace traditions' (Mean-KTDC=3.40, Private=3.35); 'Facilitates communication between employees' (Mean-KTDC=3.07 Private=3.13); 'Fortify the significance of training and development' (Mean-KTDC=3.12, Private=3.14); 'Effective grievances redressal practices' (Mean-KTDC=3.41, Private=3.45); 'Punctuality and presence of staff on need' (Mean-KTDC=2.92, Private=2.92); 'Ensuring the assured services before demand' (Mean-KTDC=3.37, Private=3.34) and 'Courteous behavior of the employee' (Mean-KTDC=3.25, Private=3.22) got moderate level support from the employees.

Table 2.1: Tests of Equality of Group Means - *Improvements* of the CRM

Improvements in CRM	Wilks' Lambda	F	df1	df2	Sig.
Inimitability in workplace traditions	1.000	.112	1	267	.738
Underline the rules, outlook, and benchmark for the workplace	1.000	.006	1	267	.937
Recognize workplace multiplicity	1.000	.003	1	267	.954
Facilitates communication between employees	.999	.173	1	267	.677
Fortify the significance of training and development	1.000	.021	1	267	.886
Eradicate employee ambiguity	.999	.283	1	267	.595
Management and implementation of the Customer feedback system	1.000	.132	1	267	.717
Effective grievances redressal practices	1.000	.126	1	267	.723
Punctuality and presence of staff on need	1.000	.000	1	267	.983
Employee's services at the promised time	1.000	.059	1	267	.808
Maintaining proper relationship with customers	1.000	.000	1	267	.988
Ensuring the assured services before demand	1.000	.062	1	267	.804
Courteous behaviour of the employee	1.000	.058	1	267	.810
Personal and individual attention	1.000	.059	1	267	.808

Source-Primary data

The various Statements pertinent to the improvements of the CRM activities were ascertained and the statistical significance was further checked with the help of Anova. All the statements related to the improvements of the CRM activities are not significant based on the opinion of employees. That means statistically there is no absurdity between the KTDC and Private based employees in the Accommodation sector.

Table 2.2: Eigen values - Improvements to the CRM

Function	Eigen value	% of Variance	Cumulative %	Canonical Correlation
1	.459[a]	100.0	100.0	.643

Source-Primary data

The Eigen value is 0.459 and Canonical Correlation is 0.643, showed a moderate positive correlation to KTDC and Private based employees in the Accommodation sector.

Table 2.3: Standardized Canonical Discriminant Function Coefficients - *Improvements* of the CRM

Improvements in CRM	Function	
	KTDC	Private sector
Inimitability in workplace traditions	1.295	--
Underline the rules, outlook, and benchmark for the workplace	--	-1.916
Recognize workplace multiplicity	1.538	--
Facilitates communication between employees	--	-1.130
Fortify the significance of training and development	.989	--
Eradicate employee ambiguity	--	-1.686
Management and implementation of the Customer feedback system	1.193	--
Effective grievances redressal practices	.262	--
Punctuality and presence of staff on need	1.365	--
Employee's services at the promised time	--	-.913
Maintaining proper relationship with customers	--	-.264
Ensuring the assured services before demand	--	-.154
Courteous behaviour of the employee	--	-1.553
Personal and individual attention	1.887	--

Source-Primary data

According to the Discriminant Analysis, the KTDC employees considered the statement 'Personal and individual attention' (CV=1.887) as the highest level of importance as the improvements of CRM in the accommodation sector. It is followed by 'Recognize workplace multiplicity' (CV=1.538), 'Punctuality and presence of staff on need' (CV=1.365),

'Inimitability in workplace traditions' (CV=1.295), Management and implementation of Customer feedback system ' (CV=1.193), 'Fortify the significance of training and development' (CV=0.989), and 'Effective grievances redressal practices' (CV=0.262).

According to the Discriminant Analysis, the Private employees considered the statement 'Underline the rules, outlook, and benchmark for the workplace' (CV= -1.916) as the highest level of importance as the improvements of CRM in the accommodation sector. It is followed by 'Eradicate employee ambiguity' (CV=-1.686), 'Courteous behaviour of the employee' (CV= -1.553), 'Facilitates communication between employees' (CV=-1.130), 'Employee's services at the promised time' (CV= -0.913), 'Maintaining proper relationship with customers' (CV= -0.264), and 'Ensuring the assured services before demand' (CV= -0.154).

Conclusion

The present study examined the problems of CRM practices in the KTDC and Private accommodation sector in Kerala. From the analysis it is noted that the extraction values of components namely 'Lackadaisical attitude of the management and staff'; 'Governance interference' and 'Lack of internationally accredited hotels' got high values as .966, .940 and .906 respectively. The Problems of CRM practices in the accommodation sector of Kerala gives three most important answers they are *"Lack of sagacious dexterity"*, *"Dearth of apt information management"* and *"Absence of Corporate culture"*.

According to the Discriminant Analysis, the KTDC employees considered the statement 'Personal and individual attention' (CV=1.887) as the highest level of importance as the improvements of CRM in the accommodation sector and the Private employees considered the statement 'Underline the rules, outlook, and benchmark for the workplace' (CV= -1.916) as the highest level of importance as the improvements of CRM in the accommodation sector.

Thus it is clear from the analysis that the current status of CRM practices by the KTDC and Private sector accommodation sectors in Kerala is on the crossroads. Since the concept is of recent origin, there are many budding problems associated with the CRM practices in the accommodation sector. Since

the responses of the employees are fairly sincerely, it can be considered as the current level of CRM practices.

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