



Relationship between customer relationship management and customer satisfaction with housekeeping: A case study of Hotels in NCR

Dr. Gunjan Malik
Assistant Professor
IHTM, MDU

Abstract

Objective: The study aims at examining the relationship between customer relationship management and satisfaction with housekeeping

Research Methodology: The primary data was collected from guests visiting five star and five star deluxe hotel in NCR through a structured questionnaire and regression analysis was applied to examine the relationship.

Findings: The study found that there exist a positive relationship between customer relationship management and satisfaction with housekeeping but with a lower impact.

Proposed Utility: The study will help the hotels to understand the significance of the relationship between these two variables as housekeeping is one of the crucial departments in measuring service quality.

Key words: customer relationship management, hospitality industry, service quality.

Introduction

With the advent of hyper competition, the need for survival and success has compelled hotels to find out varied ways to be more and more competitive and reach their customers efficiently. Due to globalization and high competition Hospitality Industry has encountered major shifts and turns and has now become customer oriented rather than transaction oriented. It believes in delivering the service the way customer wants. The only 'mantra' to be competitive is to be cost effective. Customer Relationship Management is a strategy as well as tool in this direction. History reveals that if leisure hotels remain more owner focused rather than customer focused they have more chances of fall in occupancy rates.(Schroeder, 2009). In this current era of personalization and customization quality service is not sufficient, establishing a personal connect with the customers is the need that can be

achieved by adopting customer relationship management strategies. Hotels these days train their staff to be courteous, smiling, personally attending each and every customer, always ready to handle complaints etc. All these make the service quality better and works as a base for establishing relationships with customers.

At the same time housekeeping department by maintaining the cleanliness and hygiene in the hotel plays a crucial role in service quality. Researcher has made an attempt to investigate the relationship between customer relationship management and satisfaction with housekeeping.

Review of Literature

Customer Relationship Management is a strategy which helps in increasing profits by integrating internal processes and external networks to deliver superior value to the targeted customer (**Wu and Lu, 2012**). Strong and long lasting relationships are vital to success as it aims at increasing the revenue from each customer over the lifetime of guest relationship. (**Wilson, Daniel and McDonald,2002**).

Researchers have also suggested that CRM activities also increase profitability and customer retention can also be attained. It also collects detailed customer knowledge at one place which inturn helps in satisfying customer.(**Hooley, Greenley, Cadogan and Fahy,2005,Thomas and Sullivan, 2005,Jayachandran,Sharma, Kaufman and Raman,2005,Mithas,Krishnan, and Fornell,2005**).

According to **Poulis & Poulis, 2011** one of the major benefit of using CRM in Hotels is that guest programmes can be customized and the services and promotions can also be tailored according to guest's preferences.

Moreover the hotel industry today is facing aggressive competition, globalization and increasing customer turnover. Also the acquisition costs of customers are increasing and the ever changing customer needs and expectations forces the hotels to concentrate on their ability to satisfy the customers effectively and efficiently. (**Adam, Stalcup and Lee, 2010**).

Vasiliu in 2012 also in his study investigated that implementing CRM as a business strategy is the need of the hour as the economy has shifted towards customer centricity where success of any organization is dependent on the customer relationships and the personal experience delivered to the customer. He also discussed that CRM as a business strategy includes operations, marketing, customer service, finance, human resource, sales and information technology. Further in his study he professed that CRM leads to a satisfied customer and it also improves the sales by delivering better quality of service as expected by customers.

Several studies have been conducted on factors influencing selection of accommodation and all of them have summed up that out of the various factors cleanliness is one of the crucial factor while deciding where to stay. (**Callan, 1996; Kuhn, 2007; Lewis, 1987; Lin, 2003; McCleary and Weaver, 1992; Mehta and Vera, 1990; Saleh and Ryan, 1992;Weaver and Oh, 1993**). **Kuhn (2007)** in his

study reported that maximum of the complaints as well as compliments which the hotel managers receive are due to the cleanliness of rooms.

Many studies have identified that housekeeping is one of the critical factors when customers judge the service quality and also stated the importance of physical ambience in the delivery process. (**Barber et al.**, 2011; **Lockyer**, 2002, 2003; **Raajpoot**, 2002).

Every organization has an objective of satisfying customers and all the departments play their role in achieving this objective. The moment customer enters in the hotel premises he notices the entry, parking, hotel lobby and the most important the rooms, so the cleanliness of all these tangible parts of the product plays a crucial role creating a positive perception of service quality. (**Barber and Scarcelli**, 2010; **Lockyer**, 2003) Even some studies have also concluded that if cleanliness is not there , it can become one of the reasons of dissatisfaction.

Barber et al. (2011) in his attempt suggested that it is a challenging situation because a hotel possessing an absolutely clean and a hygienic environment is one of the basic requirements. One cannot use it as a marketing tool. But, it should be considered as one of the important dimensions of measuring the service quality.

So, the above review helped us in identifying the importance of customer relationship management which is considered to be an inevitable strategy and housekeeping which is also one of the key departments of a hotel. In this study an attempt has been made to study the relationship between CRM and satisfaction with housekeeping.

RESEARCH METHODOLOGY

OBJECTIVE

The main objective of the study is to examine the relationship that exists between customer relationship management and customer satisfaction with housekeeping.

DATA COLLECTION

SECONDARY DATA

Secondary data has been collected by reviewing research papers, journals, case studies, magazines, articles etc.

PRIMARY DATA

For collection of primary data a structured questionnaire was developed which was pre tested. To achieve the objectives of the study the questionnaire has been divided into three parts. The first Part A has been made to collect the diverse demographic details of the respondents. Part B of the questionnaire comprises of the questions related to customer relationship management. Part C of the questionnaire consists of the question related to customer satisfaction with housekeeping.

SURVEY SAMPLE OF THE STUDY

The survey sample includes the guests visiting five star and five star deluxe hotels in Delhi, Gurgaon, Noida and Faridabad. A total of 700 questionnaires were sent to five star and five star deluxe properties in NCR and we got back 600 questionnaires out which 525 were complete and worth using for analysis.

TABLE: 1.1**DEMOGRAPHIC PROFILE OF RESPONDENTS OF SAMPLED HOTELS**

Demographic Variables		Number of respondents	Percentage
Gender	Male	228	43%
	Female	297	57%
Age of respondent (in years)	Below 20	32	6%
	21-40	361	68.7%
	41-60	130	25%
	61 & above	2	.3%
Background	Rural	132	25%
	Urban	393	75%
Education	Matriculation	16	3%
	Senior Secondary	54	10%
	Graduate	123	23%
	Post Graduate	332	64%
Occupation	Self Employed	164	31%
	Government Employee	153	29%
	Private Sector Employee	208	40%
Purpose of Visit	Leisure	224	42
	Business Visit	83	16
	Visiting with friends & relatives	146	28
	Others	72	14%

TABLE:1.2**SCALE TO ASSESS CUSTOMER RELATIONSHIP MANAGEMENT IN SAMPLED HOTELS**

Sr. No.	Item No.	Description of Items	Response Categories and weight assigned to each category of Response				
			SD 1	D 2	I 3	A 4	SA 5
Customer Relationship Management							
1	1	Accommodation is provided as per guests' preference.					
2	2	At this hotel I feel like I am treated like a queen or a king.					
3	3	The employees of hotel greet me with courtesy and smiles at all times.					
4	4	The employees here are patient and spend time responding and explaining things to me.					
5	5	The employees here communicate well and are good listeners.					
6	6	The employees here are friendly, cheerful, polite and responsive.					
7	7	Feedback at the time of checkout is always taken.					
8	8	Front office staff enquired and also informed about future reservations.					
9	9	The Hotel's staff seeks to proactively solve a guest's problem.					
10	10	The Hotel is always able to negotiate the problems with the guests.					
11	11	Guests problems can be solved in an easy and friendly manner					
12	12	The Hotel's staff tries to solve the problem even when it is not the Hotel's responsibility.					
13	13	The Hotel has formal complaint system which covers both written and verbal complaints.					
14	14	Problems with the Hotel are solved quickly					
15	15	The Hotel maintains Guest History Card.					
16	16	The Hotel keeps me updated with new products and services available.					

17	17	The Hotel keeps on informing frequently about guests loyalty programmes.					
18	18	The Hotel also informs about other special packages and discounts to regular customers.					
19	19	The hotel send greeting cards on birthday/anniversary to establish relationship with the guests.					
20	20	If requested in advance, preferred tables were also reserved in restaurant.					
21	21	The Hotel conduct studies to judge the satisfaction level of customers.					
22	22	The Hotel offers to regular customers some special packages/discounts to celebrate different occasions(like birthday, new year eve, anniversary, festivals.)					
23	23	Customer Relationship Executives are there for assessing the satisfaction level of customers.					
24	24	Front office staff taps information for assessing satisfaction level of guests.					
25	25	Central Information System is there for tapping information for assessing satisfaction level of guests.					
26	26	The Hotel pays attention and provides personalized care and takes care of special requirements of the customer.					
27	27	Hotel makes an effort to find out what the guest needs.					
28	28	The hotel communicates and develop relationship with its guests.					
29	29	Hotel provides customized services and products to the guests.					

Part B

ITEM TO ASSESS PREVALENT LEVEL OF CUSTOMER SATISFACTION WITH HOUSEKEEPING

Sr. No.	Item No.	Description of Items	Response Categories and weight assigned to each category of Response				
			SD 1	D 2	I 3	A 4	SA 5
1	1	I am satisfied with the overall housekeeping service.					

DATA ANALYSIS AND DISCUSSION

To check the relationship between the two variables regression analysis was applied using SPSS 18 version on factor loadings of customer relationship management and satisfaction with housekeeping and following are the results.

CUSTOMER RELATIONSHIP MANAGEMENT AND SATISFACTION WITH HOUSEKEEPING DEPARTMENT

TABLE: 1.3

MODAL SUMMARY OF REGRESSION BETWEEN CRM AND HOUSEKEEPING SATISFACTION					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
dimension0 1	.464 ^a	.215	.214	.73090	
a. Predictors: (Constant), relationship					
b. Dependent Variable: The hotels' overall housekeeping service is satisfactory.					

Above table with R value of .464 connotes a relationship between customer relationship management and satisfaction with housekeeping but lesser R square value of .215 indicates the low strength of relationship that variance in satisfaction with housekeeping accounted for by customer relationship management is only 21.5%.

TABLE: 1.4

ANOVA TABLE OF REGRESSION BETWEEN CRM AND HOUSEKEEPING SATISFACTION						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	76.632	1	76.632	143.449	.000 ^a
	Residual	279.394	523	.534		
	Total	356.027	524			
a. Predictors: (Constant), relationship						
b. Dependent Variable: The hotels' overall housekeeping service is satisfactory.						

The lower value of F and the associated value of p in the above table indicate that there is a relationship between the two variables but the strength of relationship is on lower side as housekeeping is a back office operation and the housekeeping employees do not interact much with the guests as front office employees do but their quality service is also important.

Conclusion

As found in the previous studies also the above analysis and f values connotes that there is a positive relationship between customer relationship management and satisfaction with housekeeping but the strength of this relationship is not on a higher graph as cleanliness is considered to be a basic expectation and the housekeeping staff does not interact much with the customers. But it is also true that if it is not present it may lead to dissatisfaction so the service quality is equally important.

References

- Adam, A.S., Stalcup, L.D.& Lee, A(2010). Customer Relationship Management for Hotels in Hong Kong, *International Journal of Contemporary Hospitality Management*, Vol. 22(2), pp.139-159.
- Barber, N., Goodman, R.J. and Goh, B.K. (2011).Restaurant consumers repeat patronage: a service quality concern, *International Journal of Hospitality Management*, Vol. 30 No. 2, pp. 329-336.
- Barber, N. and Scarcelli, J.M. (2010). Enhancing the assessment of tangible service quality through the creation of a cleanliness measurement scale, *Managing Service Quality*, Vol. 20 No. 1, pp. 70-88.
- Callan, R.J. (1996). An appraisalment of UK business travelers' perceptions of important hotel attributes, *Hospitality Research Journal*, Vol. 19 No. 4, pp. 113-127.
- Hooley, G., Greenley, G., Cadogan, J. &Fahy, J. (2005).The performance impact of marketing resources, *Journal of Business Research*, Vol. 58(1), pp. 18-27.
- Jayachandran, S., Sharma, S., Kaufman, P. & Raman, P. (2005).The role of relational information processes and technology use in customer relationship management, *Journal of Marketing*, Vol. 69(4), pp. 177-192.
- Kuhn, K. (2007). Clean rooms at top of guests' priority lists, *Caterer & Hotelkeeper*, Vol. 197 No. 4, p. 11.
- Lewis, R.C. (1987). The measurement of gaps in the quality of hotel services, *International Journal of Hospitality Management*, Vol. 6 No. 2, pp. 83-88.
- Lin, F.Y. (2003). An analysis of hospitality consumer lifestyles in the United States, Unpublished *doctoral dissertation*, TX Tech University, TX.
- Lockyer, T. (2002). Business guests' accommodation selection: the view from both sides, *International Journal of Contemporary Hospitality Management*, Vol. 14 No. 6,
-

pp. 294- 300.

Lockyer, T. (2003). Hotel cleanliness: how do guests view it? Let us get specific. A New Zealand study , *Hospitality Management*, Vol. 22 No. 3, pp. 297-305.

McCleary, K.W. and Weaver, P.A. (1992). Do business travelers who belong to frequent guest programs differ from those who don't belong? , *Hotel Research Journal*, Vol. 15 No. 3, pp. 51-64.

Mehta, S.C. and Vera, A. (1990). Segmentation in Singapore, *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 31 No. 1, pp. 80-87.

Mithas, S., Krishnan, M.S. & Fornell, C. (2005). Why Do Customer Relationship Management Applications Affect Customer Satisfaction. *American Marketing Association Journal of Marketing*, Vol 69, 201-209.

Poulis, K. & Poulis, E. (2011). Promotional channels of FMCG firms and tourism: a standardisation/adaptation perspective. *EuroMed Journal of Business*, Vol. 6(1), pp. 5-23.

Saleh, F. and Ryan, C. (1992). Client perceptions of hotels, a multi-attribute approach, *Tourism Management*, Vol. 13 No. 2, pp. 163-168.

Thomas, J.S. & Sullivan, U.Y. (2005). Managing marketing communications with multichannel customers. *Journal of Marketing*, Vol. 69(4), pp. 239-51.

Vasiliu, D. (2012). Approach to Customer Relationship Management (CRM)-the new key sales success. *USV Annals of Economics & Public Administration*, 12(1), 144-153.

Weaver, P.A. and Oh, H.C. (1993). Do American business travelers have different hotel service requirements? , *International Journal of Contemporary Hospitality Management*, Vol. 5 No. 3, pp. 16-21.

Wu, S. & Lu, C. (2012). The relationship between CRM, RM, and business performance: A study of the hotel industry in Taiwan. *International Journal of Hospitality Management* , Vol 31, pp 276-285.

Wilson, H., Daniel, E. & McDonald, M. (2002). Factors for success in customer relationship management (CRM) systems. *Journal of Marketing Management*, Vol. 18(1-2), pp. 193-219.

Yamanaka, K. Almanza, B., Nelson, D. and DeVaney, S. (2003), "Older American's dining out preferences", *Journal of Foodservice Business Research*, Vol. 6 No. 1, pp. 87-103.