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Enhancing Customer Experience in Hospitality and Tourism: The Strategic Role of CRM in Online Bookings

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ABSTRACT

In order to achieve favourable results and competitive sustainability, businesses often function within the constraints of their internal and external surroundings. It must rise to the competitive difficulties of the future, where quality will be the primary motivator. This will centre on meeting all rightful needs, demands, and expectations of the customer for goods and services at a reasonable cost, in compliance with the fundamental nature determinants. The consumer may communicate these wants, and if those expectations are met, contentment will result, allowing the supplier of services to provide the desired level of quality. The research is based on the sample of 100 participants belong to Rajasthan region. The sample has been collected through online Google form. The data analytics techniques used in this research include correlation, descriptive statistics and t-test analysis. The finding indicates that there is positive impact of CRM on online booking experiences of the customers in Hospitality and Tourism sectors.

Introduction

In today's digital age, the hospitality and tourism industries are witnessing a profound shift in consumer behaviour, with an increasing preference for online booking channels. As these sectors adapt to meet evolving consumer demands, Customer Relationship Management (CRM) emerges as a pivotal tool in enhancing the online booking experience. This research delves into the intricate interplay between CRM strategies and the augmentation of online booking services within the realm of hospitality and tourism.

With the proliferation of online platforms, customers now wield unprecedented power to research, compare, and book accommodations and travel experiences at their fingertips. Amidst this landscape, effective CRM practices serve as a cornerstone for businesses aiming to forge enduring connections with their clientele. By leveraging data analytics, personalized communication, and targeted marketing initiatives, CRM empowers enterprises to

cultivate meaningful relationships with customers throughout their journey – from initial inquiry to post-stay engagement.

Against this backdrop, this study seeks to explore the multifaceted role of CRM in optimizing the online booking experience. It aims to unravel how CRM systems can streamline booking processes, tailor offerings to individual preferences, and foster loyalty among patrons. Furthermore, by examining case studies, industry trends, and consumer insights, this research endeavours to elucidate best practices and innovative approaches for integrating CRM into the digital ecosystem of hospitality and tourism.

By unravelling the symbiotic relationship between CRM strategies and online booking experiences, this research not only contributes to the scholarly discourse but also offers practical insights for industry practitioners seeking to navigate the complexities of the digital landscape. In elucidating the transformative potential of CRM in shaping the future of hospitality and tourism services, this study endeavours to illuminate new pathways for enhancing customer satisfaction, driving revenue growth, and sustaining competitive advantage in an increasingly dynamic marketplace.

Research objectives

The aim of this research is to analyse the impact of CRM tools on the only customer experience of Hotel and Tourism sectors.

The objectives of this research are:

- To analyse the impact of age on customer satisfaction.
- To determine the impact of spending hours on customer satisfaction.
- To analyse the impact of CRM practice on customer satisfaction.

Research hypothesis

H1: There is significant impact of age on customer satisfaction.

H2: There is significant impact of spending hours on customer satisfaction.

H3: There is significant impact of CRM practice on customer satisfaction.

Literature Review

CRM is a strategic approach aimed at managing and nurturing relationships with customers to enhance satisfaction, loyalty, and profitability (Ismail & Hussin, 2016). It encompasses a range of practices, including data collection, analysis, and personalized communication, to deliver value to customers at every touchpoint of their journey.

Numerous studies have established a positive correlation between CRM initiatives and customer loyalty. Nazir et al (2014) found that firms implementing effective CRM strategies experienced higher customer retention rates and increased share of wallet. By leveraging customer data to tailor offerings, provide personalized recommendations, and reward loyalty, businesses can cultivate emotional connections with their clientele, fostering a sense of belonging and affinity (Agheorghiesei & Ineson, 2011).

The hospitality and tourism industries have undergone a significant transformation with the advent of online booking platforms. Studies by Samanta (2009) and Alananzeh et al. (2018) highlight how the internet has revolutionized the way travellers research, plan, and book their trips. The proliferation of online travel agencies (OTAs) and hotel booking websites has empowered consumers with unprecedented access to a wide array of accommodation options, leading to increased competition among service providers.

CRM plays a crucial role in enhancing customer satisfaction by meeting or exceeding customer expectations at every interaction point (Er, 2020). Through proactive engagement, timely resolution of issues, and personalized service delivery,

organizations can instil confidence and trust in their customers, thereby enhancing satisfaction levels (Kuttainen, Iliachenko& Salehi-Sangari, 2005). Additionally, CRM enables businesses to gather feedback, analyse customer sentiment, and continuously improve their products and services to better meet customer needs (Al-Bashayreh et al 2022).

CRM has emerged as a strategic imperative for businesses seeking to thrive in the digital era. Qteishat, Alshibly& Al-ma'aitah (2014) have defined CRM as a holistic approach aimed at managing customer interactions across multiple touch points to maximize customer satisfaction and loyalty. By leveraging technology and data analytics, CRM enables organizations to personalize communication, anticipate customer needs, and deliver tailored experiences throughout the customer lifecycle.

Within the hospitality and tourism sectors, CRM plays a pivotal role in enhancing customer engagement and driving revenue growth. Bilgihan & Bujisic (2015) emphasizes the significance of CRM in fostering long-term relationships with guests, leading to repeat bookings and positive word-of-mouth referrals. By capturing and analysing guest data, hotels and travel agencies can segment their customer base, identify high-value

customers, and offer personalized incentives to enhance loyalty.

Several studies have explored the effective implementation of CRM strategies to optimize the online booking process. Ibrahim, Abbas& Kamal (2021) propose a framework for CRM in the hotel industry, emphasizing the importance of integrating CRM systems with online booking platforms to streamline reservation processes and deliver seamless experiences. Similarly, Nobar & Rostamzadeh (2018) discusses the role of social CRM in engaging with customers through social media channels, fostering community participation, and soliciting feedback to enhance service offerings.

While CRM holds immense potential for improving online booking experiences, challenges such as data privacy concerns, technological complexities, and integration issues need to be addressed. Amoako et al. (2012) highlight the importance of building trust and transparency in CRM initiatives to alleviate customer apprehensions regarding data usage. Furthermore, advances in artificial intelligence (AI) and machine learning present opportunities for enhancing CRM capabilities, such as predictive analytics for personalized recommendations and chatbots for real-time customer support (Abdulfattah, 2012).

Research suggests that the effectiveness of CRM strategies in driving customer loyalty and satisfaction depends on various factors, including organizational commitment, technological infrastructure, and customer orientation (Abdulfattah, 2012). While CRM investments can yield significant returns in terms of customer lifetime value and profitability, firms must ensure alignment between CRM objectives and organizational capabilities to maximize impact (Bilgihan & Bujisic, 2015).

Looking ahead, the convergence of CRM, AI, and digital technologies is poised to reshape the landscape of hospitality and tourism. By embracing a customer-centric mindset and adopting innovative CRM solutions, businesses can forge deeper connections with their clientele, differentiate themselves in a crowded marketplace, and drive sustainable growth in the digital age.

Research Methodology

Sampling

In this research, a sample of 100 participants, who are living within Rajasthan region, has been collected. All the participants are between the age range of 18 and 52. Both males and females have been allowed as participants.

Data collection

The data has been collected through online survey. Online questionnaire has been formed in google form and link for the same was shared with the participants via Facebook and Gmail. Thus, quantitative data has been collected in this research. The nature of the data is cross-sectional, as the data has been collected once.

Data analysis technique

The collected data has been analysed through SPSS software. The techniques used in analysing the data includes descriptive analysis, T-test and regression analysis. The customer satisfaction has been measured through 5 level Likert scale on customer experiences on online booking.

Descriptive analysis has been used to get the overview of the data. On the other hand. T-test has been employed to find the significance difference between customer experience before 3 years and now. The reason behind asking the customer about 3 years before experience, is that, in Rajasthan use of CRM was not common three years before. The regression test has been applied to find whether there is any significant impact of demographic and CRM on customer experience or not.

Data analysis

Descriptive analysis

Gender

Gender	Frequency
F	53
M	47
Total	**100**

The above table shows that majority of population are females, which is accounting for 53% of total participants.

Frequency of travel

Travel (days in a week)	Frequency
0	5
1	58
2	26
3	8
4	2
7	1
Total	**100**

The above table reveals that majority of participants prefer to travel only once a week. This accounting for 58%, while only 1% participants travel for whole week.

Mode of booking

Mode	Frequency
E-Mitra	16
Online	84
Total	**100**

The result indicates that around 84% participants book their hotels and tour and travels by self through online. Only 16% participants seek E-Mitra service to book their hotels or travelling tickets.

Hours spend on internet

Spending internet (Hrs)	Frequency
1	3
2	9
3	11
4	15
5	23
6	11
7	8
8	7
9	5
10	5
11	2
12	1
Total	**100**

Around 23% participants usually active on internet for 5 hours, while there are only 1% participants who are active on internet for 12 hours. There are only 3% participants who are rarely active on internet.

Frequency of advertisement

Advertisement promoted (days in a week)	Frequency
2	17
3	42
7	41
Total	**100**

Majority of population watches the promotional adds by same hotels or travel agencies thrice or daily on their devices.

Accessibility on internet

Internet (Number)	Frequency
1	4
2	15
3	36
5	5
7	40
Total	**100**

Around 40% participants have claimed that they have watched same advertisement on around 7 social media and other internet platforms (Twitter, Mobile apps, YouTube, Facebook, Gmail, Game apps and Google browser). On the other hand, 36% participants have received the same promotions on three social media and internet platforms.

Likeable service

Best Service	Frequency
1. Discount offers	20
2. Quick response by Bot	23
3. Quick booking	24
4. Personalized offers	33
Total	**100**

Majority of participants likes about personalized offers by the tour and travels and hotel firms. Some of the personalized

offers include offering as per the family size, taste, preference of city and so on.

Regression analysis

After applying the regression test on various variables, it was found that only one variable, which is "frequency of promotions watched by consumers", has significant impact on customer experience from online booking at 5% significance level.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.890	.320		9.034	.000
Q8	.133	.059	.224	2.273	.025

a. Dependent Variable: Q9a

In the above table, the coefficient value of 0.133 indicates that 1% rise in frequency of online promotions, will increase the customer satisfaction by 0.133 times or 13.3%. The Question 8 shows the rating on response of customers after watching the advertisement. Quickest response reflects good application of CRM and Vice-a-versa.

t-test analysis

T-test has been applied to do pre and post analysis on the customer experience. The output will show whether there is any significant impact of CRM on customer's experience.

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q9	25.790	99	.000	1.780	1.64	1.92
Q9a	40.923	99	.000	3.590	3.42	3.76

The output of T-test shows that the value of p is significant at 0.000. Hence, it can be commented that there is significance difference between the satisfaction

received by the customers now and 3 years before. The value of mean difference indicates that customers are highly satisfied now as compared to three years before.

Conclusion

In conclusion, the literature reviewed underscores the critical importance of Customer Relationship Management (CRM) in shaping customer loyalty and satisfaction within the realm of contemporary business practices. Across diverse industries, CRM emerges as a strategic imperative for organizations seeking to foster enduring relationships with their clientele, drive revenue growth, and sustain competitive advantage in an increasingly dynamic marketplace.

However, the successful implementation of CRM initiatives is not without challenges. Issues such as data privacy concerns, integration complexities, and employee resistance necessitate careful planning, robust infrastructure, and organizational commitment. Moreover, the evolving landscape of technology and consumer behaviour calls for ongoing adaptation and innovation in CRM strategies to remain relevant and effective.

The findings of this research suggests that implementation of CRM can be effective in improving the customer satisfaction in hospitality and travelling sector. It was also found that demographic factors have no significant impact on customer satisfaction from online booking experiences.

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