Customer Relationship Management Challenges in Hospitality and Tourism Faced by Various Stakeholders in Andhra Pradesh

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Abstract

The travel and tourism industry in Andhra Pradesh is continuously putting its effort to sustain the image of top tourism destination State in India in today’s acute competitive and economically demanding atmosphere. The industry have to think about new strategies and policies to handle their customers and tourists to optimize their customer loyalty and revenues. The industry need to follow and adopt, to acquire, to develop and retain customers with greater precision and improved results.

Creating a profile of a customer in a systematic manner, delivering consistent development process across all media and integrating multi channel customer interactions will help in building customer loyalty and increasing revenues per customer or tourist.

In spite of the differences in the offerings by the competitors the players in this industry could extract greater value from customer relationship.

Retaining the existing customer and acquiring the new one is definitely a difficult task in the present competitive world. Building Relationships with the customers and tourists on a long run basis for a life term should be the modern day priorities for marketers. By the implementation of latest technological ways such as internet, web connectivity, Hi –Fi facilities etc, effective force for the evolution and adoption of the customers opinion are possible. As the competition is just a mouse click away, a large segment of travelers and tourists are
taking the advantage of these choices to reduce the cost of their travel plans. Also the players in travel, tourism and hospitality industries have reduced the marketing expenditure, which made the loyal customers to look for and adopt emerging electronic distribution channel.

As the time is the most precious factor in the present busy schedules, this has made the travelers, tourists and others to opt for Internet and other web based options for planning and booking their travel plans at the most economical and competitive rates. Here comes the main problem of customer loyalty and customer retaining. If the customer is not reminded about a company’s products on a life time pattern there are every chance the customer may jump to other company products as they tend to be more presentable in the market through their innovative strategies and policies.

This paper therefore attempts to study these issues pertaining to the travelers, tourists and customers in the hospitality sector and the attempts being made by various stake holders in the above sectors to customer loyalty and customer retain ship in the emerging busy and tight market conditions.

**Keywords:** Customer satisfaction Loyalty, Customer Retention, Customer Relationship, Customer policies, Customer Preferences.

1. **Introduction**

The travel, tourism and hospitality industries are growing with an increase in revenue generations year by year which is a sign of positive growth. Globalization is one of the main factors for this tremendous growth. Therefore realizing the huge potential of tourism and hospitality revenues, the state governments of India have already entered into the fray competing among themselves as well as with private agencies and are promising the very best in terms of infrastructure, services to the tourists and customers. With competition hurting up more and more travel agencies and hotels and various other stakeholders in Andhra Pradesh are unleashing their unique concepts and innovations to attract tourists and customers towards their facilities and comforts.

Modern Customer relationship management strategy is all about capturing customers heart share more than his mind share by offering a differentiating value preposition through various innovative ideas. All the major stakeholders like, travel, tourism, hotel, facility managers and others are acquiring new customers while retaining the old ones in the focus.
2. Track the Customer satisfaction and Future Needs Through Continuous Feedback Mechanism

Travel, Tourism and Hospitality Industry should facilitate the mechanism at various places accessible to the customers, so that it will enable the customers to express their needs, demands, tastes, interests, feelings, experiences of a service or a product, the information can be used as a tool to measure the customer satisfaction and understand the customer needs. The feedback mechanism may be through prepared Questionnaire or by email or online. Telefeedback system also used as a Feedback system. The data collected should be analysed and implemented by the time customer appears for a next time. Its nothing but a customer care and customer value. Once, Customer felt that the Organization addresses the customer service gaps, Customer Retention will be achieved and further, it will leads to customer loyalty. Hence, The CRM should contain the effective collection of customer feedback and redressal system.

3. Data Analytics

Transform data into decisions to understand your market and empower your property to compete.

The collected data should be analysed to identify the Gaps in the performance of service delivery, costing, pricing and customer experience in order to improve customer acquisition and customer retention. Data Warehousing, Data Mart are some of the tools can be used in Travel, Tourism and Hospitality Industry. More than 22,000 hotels benefit from TravelClick Business Intelligence Solutions, including the top ten global hotel chains and thousands of independent hotels. Other members of the hospitality industry rely on business intelligence, including financial institutions, rental car companies, and travel distributors. Solutions are flexible enough to meet a wide range of needs and powerful enough to impact business, regardless of size or type. Make better, smarter decisions with TravelClick’s unparalleled Business Intelligence Solutions. Superior data, paired with next generation analytical tools, turn information into insights, which can improve hotel marketing, revenue management, and business strategy. Access performance data for hotel, portfolio, competitive set, and across all detailed customer segments and channels. TravelClick’s Business Intelligence Solutions run on Hotelligence360, TravelClick’s groundbreaking intelligence platform. With Hotelligence360, you can access comprehensive, actionable information instantly and gain insight into your competitive landscape. With interactive dashboards, optional alerts, and guided analytics, you can evaluate all aspects of your hotel's market and competition through a single intuitive interface.

4. Cost Benefit Comparision in the Tourism and Hospitality Market

Tourism activity also involves economic costs, including the direct costs incurred by tourism businesses, government costs for infrastructure to better serve tourists, as well as congestion and related costs borne by individuals in the community. Community
decisions over tourism often involve debates between industry proponents touting tourism’s economic impacts (benefits) and detractors emphasizing tourism’s costs. Sound decisions rest on a balanced and objective assessment of both benefits and costs and an understanding of who benefits from tourism and who pays for it.

Tourism’s economic impacts are therefore an important consideration in state, regional and community planning and economic development. Economic impacts are also important factors in marketing and management decisions. Communities therefore need to understand the relative importance of tourism to their region, including tourism’s contribution to economic activity in the area.

Tourism and Hospitality Organizations should continuously monitor the cost benefit comparison of All competitive Organizations everytime and offer competitive prices to the customers to retain the customers as a part of Customer relationship management.

5. International Brand and Local Market

Competition in the International hotel market is strong. As hotel companies strive to penetrate new markets and expand their portfolios around the globe. The establishment of international brands in new markets globally. The establishment of international brands in new markets globally, both emerging and mature, is continuing. Building a local brand presence involves myriad considerations from both an operative and an ownership standpoint.

In emerging markets such as China and India, International Hotel companies are focusing on customizing their international standards to the needs of the areas. Many hotel companies have aggressive plans to expand quickly into these geographies, doubling or trebling their presence in their next couple of years. In order to prepare for rapid and successful expansion, brand standards are being adapted to local customer preferences in terms of hotel room design, service standards and food and beverage choices. “Glocalization” or Globalozation and localization is a leading principle for international hotel companies striving to succeed in new markets and compete with local, domestic brands. Some of the top tier Luxury brands or even providing life style managers to ensure that guests needs and demands are met during their stay.

While many companies are concentrating on customizing their brands for the host countries, that out bound traveler has also received considerable attention, with international hotel companies creating specific programmes, tailored to appeal to specific desires of their clientele. One major international company has developed a welcome programme specifically for Chinese travelers, leveraging its experience in main land china. Guests are able to request special amenities and services at participating hotels outside of china and can be assured that the hotel will meet their specific needs and expectations.
6. Enhancing the Customer Experience for Better Customer Satisfaction

The Tourism, Hospitality and Retail sector in Hyderabad looks set to become even more exciting in the coming years ahead. Current efforts to build new attractions, rejuvenate and transform service level in the sector will put Hyderabad in an excellent position to tap into the rapid growth of the global tourism market. Indeed, The Tourism, Hospitality and retail Subcommittee is excited about the potential of the sector, and the opportunity to define new ways that leverage on Infocomm to further entrench Hyderabad’s attractiveness as a travel and shopping destination of choice. In a high touch service like ours, infocomm can be exploited to create new ways of fulfilling the needs of our visitors and customers, thereby enhancing their experience here. It can also be used to improve the efficiency of the companies and operators in the sector, raising overall competitiveness.

7. Integrating Customer Information with the other Departments and Functions Within the Organization for Holistic Improvement in Customer Experience

Understand the needs and wants and preferences of customer. Establish economic frameworks to understand and prioritize impact of marketing, sales and service decisions. Track customer behavior, distill patterns, and adapt to accommodate shifts. Develop lead nurturing and customer management plans for target audience. Develop customer-centric information architecture. Deploy workflow based tools to marketing, sales, and service stakeholder groups. Create a customer experience map to optimize touch points.

8. Role of Social Media in Integrating with CRM:

Social media has taken the web world by storm. It has completely revolutionized the ways communication used to take place even a decade ago. According to a recent study conducted by Edison Research on social media behaviors of modern users 58 million Americans are hooked to social media sites and use them on daily basis. This has risen to 22% against 18% in 2011. So, one can easily assume the potential of social media in shaping future economy. People now rely more on social sites to learn about events and influenced more than ever by their peers. As a result, social media now play a significant role in forming public opinion. Social media continuously generate hoards of information so that it becomes difficult for enterprises to monitor them. As a result, an increasing number of CRM developing companies are now offering social media integration with their CRM. CRM customization allows your social media accounts to be linked and managed through your customer relationship management software. It helps businesses in devising business strategy using the insight gained from social sites. The benefits offered by SCRM or social CRM are: Improved peer-to-peer
interaction in offering customer support Market feedback research, Idea management, Brand positioning and promotion, Product launching, CRM helps businesses in streamlining operation and improve customer dealing. Integration of social media to it has further enforced its usefulness in helping businesses to connect and serve their customers better. According to market research by Gartner, social CRM is showing robust growth trends and its revenue earning grew by 30% in 2011. The major portion of this demand (90% of total demand for SCRM) is generating from business to consumer companies and the rest from business to business operations. The coming years will see more integration of social media to customer management platform. The integration procedure depends upon the social media maturity level of your organization with companies at the initial stage needing more comprehensive social media plans. Hence, Travel, Tourism and Hospitality Industries have greater challenge to update CRM though Social media.

9. Conclusion
Organizations engaged in travel, tourism, lodging, transportation, entertainment, food & beverage, tour packaging etc., are covered under hospitality industry. In hospitality industry, huge buildings and food equipment do not matter but the quality and standard of delivery of the services do recognized as an important factor. In the context of the above, an attempt is made to find the factors contributing to customer satisfaction with reference to various services offered to the customers by the star hotels in Hyderabad/Secunderabad. It is observed that Housekeeping services are playing an important role followed by front office services, conference hall facilities, interior/exterior facilities, room services, maintenance services, room arrangements and finally other facilities. Regarding the customer loyalty, the present study clearly shown that the customers whose overall satisfaction is extreme, they are most likely to choose the hotel in future. Acquiring new customers costs much; therefore the hotels have to see that overall customers must satisfy so that they will have repeated customers.

References