Electronic Customer Relationship Management - The usage of ECRM tools on websites of

international hotel chains

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Economics

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Introduction

The corporate arena is flooded with new innovative ideas and advanced technologies, in the 21st century. In the face of tough competition, the consumer has become the pivotal point for the success or failure of any organization. Most companies have aligned their business processes with CRM (Customer Relationship Management), in order to enhance and develop a better relationship with their targeted customers. With the advent of Internet and the wide spread use of World Wide Web, the most companies were forced to bring their business online in order to meet the needs of the techno-savvy consumer (Gordon, 2002). In such a scenario, CRM alone lacked the characteristics required to survive in the online world and thus, E-CRM was developed. Electronic Customer Relationship Management is advanced form of CRM which is used by companies who conduct their business through the Internet.

Problem Discussion

The present study focuses on conducting an in-depth study of E-CRM and how it benefits the companies. In the era when most companies are conducting their business through online sources, it is important for businesses to develop strong relationship with the consumer. In earlier days, the companies used to focus upon maximizing their profit and revenue. However, since the Internet boom and the empowerment of the consumer, the companies are forced to focus upon interpreting consumer behavior and creating good customer bond. This is so because the customers now have the option of comparing the goods and services online, and then decide on the optimal product. Thus, in order to build consumer loyalty, the companies need to make the consumer feel special and unique. For this purpose, incorporating E-CRM tools is the optimal solution (Kotler, 1974).

For the purpose of the present study, the need of E-CRM in the hotel industry would be evaluated in detail. The hotel industry has always been consumer based and creating strong customer relationships and consumer brand loyalty is important for the any hotel to be a success. Traditionally, the hotels banked upon on their customer service staff to create an impression on the consumer. However, the internet has changed the dynamics of the hotel industry as the customer can now compare the services. Thus, the customer touch point has shifted from the

physical experience to the online website of the hotel. Thus, E-CRM tools and strategies enable the consumers to develop a better online presence in order to build consumer/guest loyalty.

Aims and Objectives

The present study is aimed at providing the reader with detailed information about how CRM and E-CRM work and how the use of E-CRM can positively impact the business of any company. The objective of the report is to establish the importance of using E-CRM tools and strategies in the hotel industry. The study aims at providing in-depth information about the definitions of CRM and E-CRM, the key features of E-CRM, the data collection methods of E-CRM and the use of E-CRM in the hotel industry.

As the Internet is one of the most important sources of information nowadays, the importance of ECRM tools, especially in the service industries is rising continuously. The aim of this research is therefore to analyze in what extent ECRM features are incorporated into the online representation of assorted international hotel websites.

1. Establish a general understanding of the importance of ECRM in today's hospitality business

2. Give an overview of significant ECRM features and in what extent they are applied by major international hotel companies

3. Based on the research findings, develop a theoretical model website which may function as a recommendation for future hotel websites

Methodology

The research in this study uses to data collection approaches namely primary data collection and secondary data collection. For primary data collection, empirical research tools were employed. The empirical research was web-based and the website quality of many international hotel chains was analyzed on the basis of different research criteria. The research criteria were identified from qualitative as well as quantitative techniques. Overall, the researcher had followed a deductive approach for analyzing the data and findings. For secondary data collection, an extensive literature review of the existing material on the topic of E-CRM and its benefits was done. For

the purpose of literature review, various peer-reviewed journal articles, books and other electronic sources were used.

Literature Review

Introduction to CRM

According to Gordon (2002), CRM or Customer Relationship Management is a set tools and strategies used by the companies to increase the satisfaction of the consumer along with developing a competitive advantage over other companies. Now, since the competition amongst the business in all industries is increasing rapidly, the focal point of the business is shifting from maximizing revenue to creating products which match the needs of the customer. Through CRM, the companies are able to collect relevant data about the customer and then utilize that information for marketing purposes. According to Bull (2003), the CRM is focuses upon using automated intelligence tools to find market and sell products and services to the consumers. In fact, Customer Relationship Management is a term broadly classified as the concepts and strategies which assist private companies and public organizations to develop and manage their relationships with stakeholders and the customers. The technologies used by CRM include capturing, storing and analyzing the information of consumers, vendors, stakeholders and partners. The various functions of a business that are aligned with the CRM strategies include Sales, Training, Performance Management, Human Resource Development and Marketing and Customer Service (Caling, Ashok & Ray, 2003).

History and Evolution of CRM

Customer Relationship Management, as a means of retaining a set of clientele dates back in time when the trade and commerce had just about started to rise. The most common example of the concept existed in the small mom and pop set up shops; since their staff individually knew their customers and understood their needs personally, this network of mutually satisfied customers and sellers was very successful in receiving their payments on time as well (Gordon, 2002). As the market and the number of clients grew, the much personalized one-on-one service was

replaced by grouping of customers according to common interests. This type of slot marketing was good, but was not as efficient as the former system. Reason being that grouping killed the idea of personalization since not everyone was same in a group. To overcome this issue, early 1980 saw the concept of Relationship Management make its way into corporations and industries. They realized that to keep a strong relationship with their customers and to give them customized services, they needed to understand their needs on a more one-on-one basis (Bull, 2003).

Caling, Ashok & Ray (2003) described Relationship Management as a set of methodologies and terms that guides corporations on how they should strive for long term relationships, work with quality goods for a great customer service. Post the introduction by Levitt, RM. gained a lot of popularity amongst most companies. Although it started to lose its steam because the corporates were still attached to their slot marketing and in most cases, their interest was mainly in their product and not on the customer relationship. It was later in the early 1990s that the concept resurfaced. The industries realized the importance of revamping their customer relationship policies and giving them a holistic approach. It was identified that the customers' interaction was not just limited to the marketing department. They wanted to be associated at other levels to give their inputs so that the end product is customized a lot more. This ensured better sales, because every client had a say in the process of development and honing of the product. As researched by Gordon (2001), organizations thought it was better to find more targeted customers and build relations with them for a more sturdy sales approach, leading to a mutually benefitting system. But then again, maintaining the database of these return customers and keeping up with them so personally proved to be tedious and expensive. And thus came a steep fall in the popularity of RM. It could have been the end of Relationship Management because of all the reasons stated, had it not been for better IT systems to aid an easier path.

Need for CRM

The IT sector started evolving and making database management easier and economical, and thus relationship management was re-introduced by Gordon (2001) under the term Customer Relationship Management. The level of ease with which the entire hierarchy of an organization can understand every customer is amazing. With just a few programs, the entire database of

customers and their preferences can be made available to every section of the organization; thus enabling them to understand each customer and introduce customization ideas at every level (Caling, Ashok & Ray, 2003).

With the technological advancements and the rapid growth in global market scenarios, the customer has become extremely intelligent as well as selective in his buying. He understands the importance of his needs and requirements, and how important it is for his supplier to acknowledge the same. In such a system, it becomes imperative for the business owner to do everything to maintain this customer relationship. To retain an existing customer not only ensures regular sales but also increases the prospects of newer clients from his word of mouth and appreciation; the appreciation would obviously be initiated if the relationship is paid more attention. In the same respect, Walton and Xu explain that CRM is used as a method of retaining your loyal customers and building in newer ones through increased satisfaction (Bull, 2003).

With the internet taking over the buying patterns and testimonials becoming a very strong push for driving sales, anyone and everyone draws comparisons between organizations offering same products. In a cut throat business scenario of today, there are endless companies producing the same products (Lu, 2003) It is safe to say that the most important differentiator for a prospective customer is the relationship experience besides the obvious quality and service. To also understand the level of quality and service that a customer's expects, the CRM plays a pivotal role.

To sum up, it can be said that CRM is not just a set of tools or a technology; instead it is a comprehensive approach that an organization adopts for dealing with its partners, stake holders and customers. According to many researchers, the need for CRM arises from the perspective of gathering relevant information before implementing a business. By using CRM capabilities the businesses can significantly reduce costs by balancing the expectations with the system capabilities.

Objective & Benefits of CRM

According to some Kotler (1974), the aim of the CRM is to keep the organization up and running, even in the face of stiff competition, by focusing upon satisfying its existing customers

and building customer loyalty. On the same lines, the primary objective of CRM is to attract new consumers by satisfying the present consumers. Since, the existing consumer would be happy he would recommend the products and services to other prospective leads, thus generating more business.

The major benefits that a corporation gets by implementing the CRM are retention and intimacy and profits. On understanding the personal opinions and requirements of your customers, you can sketch strategies to make sure you retain your clients. While a corporation makes use of a CRM software to interact with the client, the client understands that it is not the different people to various levels that he is talking to; rather he talks to a unanimous brand irrespective of the person behind the software making the analysis. It gives him a sense of intimacy and assurance; an indirect way of building brand and increasing profitability (Caling, Ashok & Ray, 2003). The major share of profits is further achieved by analysis of the correct information received by a comfortable and interactive customer.

Problems with CRM

Much like any other system, CRM has its own shortcomings. So-much-so that it is stated that about 60% to 80% CRM ventures fail. Some of the many reasons for their failures, as given by Gordon (2001) include:

1. The most fundamental problem of CRM, when applied on the Internet-based organizations, was that it could retain control over all the customers because of the disparately located customer touch points.
2. Another issue which came up with CRM was that it did not take into account the customer life-cycle value and resulted in revenue loss for web-based organizations.
3. The lack of support from management was also one of the major shortcomings of the CRM, when employed for web-based organizations.

Other important issues with CRM included the undervaluing of the significance of data analysis, the underestimation of the involvement of management required and leaving the development of tools completely over the information technology department. The detailed analysis of the issues with CRM is presented below-:

Application: The primary argument put across by Strategic Direction in 2002 was that for a CRM system to formulate success, it is necessary for it to be applicable at every level of the organization; implementing it only at the top kills its very purpose. The interaction that every level has with the customer must be analyzed for better experience to the customers. It goes without saying that buying expensive and fancy softwares won't do anyone much good, if they are not implemented intelligently at every level (Lu, 2003).

Strategy before software: The whole idea of having a CRM system is to understand your customer better. Not in every case would you need to pitch in huge loads of money for buying fancy softwares. As a matter of fact, no corporation should go for a software unless they have chalked out a CRM strategy. At the end of the day, it is not about the software but its intelligent implementation for achieving targets.

Performance Measurement: Corner & Hinton believe that it is very difficult to measure the returns on investment in case of a CRM strategy and its execution. The scope of CRM is wide and huge. To be able to pin point the exact improvements and hikes brought in sales or customer satisfaction is very hard to judge.

CRM Business Model

The CRM business model revolved around three basic pillars; customer satisfaction, customer loyalty and customer life-cycle value.

Customer Satisfaction

When the competition in the corporate world began to increase, the companies realized meeting the needs of the customer was the most important factor around which their success or failure revolved. CRM strategies enable the company to collect relevant data about the customer and then process it into important information which can be further utilized for marketing strategies. For example, a company can utilize its customer service tem to collect information about the preferences and needs of the customer (Chen & Popvich, 2003). The customer service team uses tools like telesales services, online surveys and e-mails to collect the data. Once the customer care team has collected the information, through CRM technologies the company can align its

products and services with that of the needs and preferences of the customer. Thus, through CRM strategies, the companies can provide high-levels of satisfaction to the customers.

According to Lu (2003), the CRM as a technology acts as a linking point between the various departments managing customer interactions at different levels. Say an organization has 7 different departments looking at various levels of the product development, production, sales and support. All 7 levels have interacted with one specific client individually. Now for an all-round progressive action, one needs to compile all the 7 reports. This is where the CRM acts as the interaction link. The various means of interaction with the customer could include mails, television, radio, telephone, website and personal sales employees.

In addition, the CRM strategies also enable the organizations to provide post-sales services to the customer which enhances the overall experience of the customer and increases customer satisfaction levels are achieved.

Customer Life-Cycle Value

In present times, the companies are struggling to maintain their hold on the industry by trying to achieve high levels of customer satisfaction or consumer loyalty. However, one very important aspect of the CRM business model is to identify the customer life-cycle value. A company has thousands of consumers but not all these consumers are important over a long period of time. The company needs to identify which consumers have a long life-cycle and which ones have a short life-cycle. This where the CRM strategies come into play as they help in the companies in identifying and maintaining the consumer life cycle value (Chen & Popvich, 2003).

Before you spend a bomb on executing the interactional information for the sale of product by a single customer, as an organization, you MUST evaluate the value of this customer. It is important to make sure you are not overspending on a customer than its prospective value. Some other states that it is good to calculatedly build a model that evaluates the customer's profitability (Chen & Popvich, 2003). Such models are important for analysis that the cost being spent on each customer is not exceeding their worth for the organization.

Customer Loyalty

Building consumer loyalty is the key to become successful in the face of high competition. The well-aware customer has the option of comparing the products and services offered by various companies and then opting for the one which gives optimal price and quality. Now, in such situations, it becomes difficult to build customer loyalty and a unique experience and good customer relationship service is what separates one company from another. The CRM strategies enable the company to build strong customer loyalty by providing a great experience along with good product quality (Chen & Popvich, 2003).

Post doing all the interactive analysis, the most important step is to apply the changes effectively. That is exactly why the CRM was installed and used. Companies use effective processes to utilize this interactional feedback and implement them for a better product/service.

Introduction to E-CRM

In today's dynamically progressive business environment, an organization can only survive if it keeps its targeted consumers satisfied and happy. For keeping a consumer happy, a company needs to take the following steps-

1. Promise latest and best quality products and services to the customer.

2. Build a customer-centric environment which effectively works towards maintaining customer attention making it top priority.

3. Since, with changes in technology, consumers prefer buying products and services online. Thus, the companies need to provide a comprehensive and user-friendly online environment to the customer (Lu, 2003).

Although Customer Relationship Management is an effective tool to understand the trends in consumer behavior, the advent of internet and newer technologies has given rise to Electronic Customer Relationship Management. As more and more businesses turn towards the World Wide Web for buying and selling products, the need for effective E-CRM has risen. In the opinion of Aileen (2006), customer has become the focus of all good marketing strategies for many decades now. However, with the changing business environment from offline interaction with consumer to online interaction with consumer, CRM strategies also evolved into ECRM.

When the business is conducted through Internet, the expectations and behavior of the customer differs from those in the offline world. This is where the need of ECRM arises, so that the organizations can meet the expectations of the customers.

The corporate environment in present times is more inclined towards digital economy and the competition is based upon factors like the speed and ability of innovation, entering into strategic alliances and forging dependable customer relations. Thus, effective use of ECRM has become a means of survival and not simply (Kotler, 1974)

Definition of ECRM

According to Aileen (2006), the basic definition of ECRM states that it enables the organizations to interact with their consumers in a personalized and relevant manner through both traditional and electronic channels. Some researchers also state that ECRM is the new phenomenon of customer management, which is concerned with identifying and attracting economically important consumers and excluding the less profitable ones. According to Lohse & Spiller (1998), ECRM is set of software tools which play a critical part in the success of any web-based organization since it focuses on creating effective consumer relations. ECRM effectively and efficiently uses the various features of the Internet for delivering accurate and updated information, offering strong customer support services along with offering value-added and personalized services to the target customer base.

In today's competitive corporate arena, a few things, as given by Lu (2003), which the organizations should focus on include-:

1. Understanding the needs and trends of the newly Internet-empowered consumers who have the option of choosing the mode of communication.
2. Providing value-added services to consumers who are accustomed to highly personalized services offered over the World Wide Web.
3. Should be responsive to the dynamic changes in technology and maintain a balance between the real-time internet activities like emails with non-electronic activities of the consumer.

Although almost all organizations have incorporated CRM in their core business models, it is ECRM which would help them gain a competitive edge when it comes to doing business over the internet. In the simplest words, ECRM can be defined as the tool for synchronizing communications across the mostly disjoint customer-facing channels. It is a tool for establishing effective communication with the consumer while adhering to permission based policies like respecting preferences and privacy. It focuses on interpreting and understanding how the economics of building strong consumer relations can affect the profitability of the business (Lohse & Spiller, 1998).

What E-CRM Does?

E-CRM provides the organizations with various ways for conducting personalized and interactive communications with the consumers via both traditional and electronic channels. The E-CRM tools take a comprehensive and complete view of the consumer to take the following decisions-:

1. Promotional offers and their target audience.
2. They channel delivery process.
3. Messaging and other communication processes.

The various functions of E-CRM and what it exactly does can be summarized through the following points-:

The E-CRM strategies synchronize the communications across the various disjoint channels. For example, a company may contact an individual consumer for marketing purposes via email or messaging and then again contact the same client for other services via telephonic medium. The E-CRM tools enable the company to synchronize the information obtained from all the mediums and provide an enhanced experience to the consumer (Aileen, 2006).

The E-CRM tools also enables the company to follow out its marketing plans without being intrusive or pervasive. E-CRM asks for the permission of the consumer before entering into a detailed conversation about the products and services offered by the company. In the traditional CRM, the companies used intrusive channels like telephones to interact with the consumer. With the help of E-CRM tools the company can adopt means like emails and instant messaging to

communicate with the customer in a non-intrusive manner. The E-CRM strategies focus on understanding and interpreting the dynamics of the customer relationship and how it affects the business of the company.

Why Organizations Should Employ ECRM

After understand the basic definition of ECRM, it is clear that fundamentally it is used for developing better consumer relations over electronic channels. However, as per Lohse & Spiller (1998), the use of ECRM is not limited to that. The reasons why an organization should employ ECRM include-:

1. For optimizing and gaining maximum value of the interactive relationships with consumers.
2. For extending the personalized reach of the business amongst the targeted consumer base.
3. For efficiently and effectively coordinating all their marketing initiatives amongst all possible consumer channels.
4. For leveraging the acquired consumer information by developing more effective electronic marketing and business strategies.

The Six E's of ECRM

In traditional sense, the 'E' in ECRM stands for '"electronic", since it enables organizations to develop better consumer relations over various electronic channels like the web. However, the 'E' in ECRM can also be explained through various other perspectives relevant to its core functionality (Khalifa & Liu, 2007). The six E's of ECRM are basically focused upon developing alternative definitions of ECRM based upon the electric medium it uses for developing consumer relations, the issues it has an impact upon and some other factors.

1. Electronic channels-: This is the core functionality of ECRM. The web and the personalized communication through emails and instant messaging has become the most primarily used approach towards conducting fast, and economic business. The ECRM assists the companies in keeping pace with this increased velocity in business and thrives on the electronic medium.

2. Enterprise-: By employing ECRM various organizations can attain the means for touching and shaping consumer experience through services, sales and customer service centers. Through these customer contact centers the companies can assess and comprehend the latest trends in consumer behavior (Luck & Lancaster, 2003).

3. Empowerment-: An ECRM solution should be structured with an approach to accommodate the preferences of the customer in terms of the power to decide when and how they want to interact with the company. The consumer should also be empowered to decide which channel they want to interact with the organization (Khalifa & Liu, 2007). An ECRM solution should structure so that it prides relevant, valuable, and timely information to the consumer, who in turn gives his/her attention to the organization and its business.

4. Economics-: An ECRM strategy should be ideally designed in such a manner that it completely focuses on consumer economics. Such an ECRM strategy enables the organizations to take efficient asset-allocation decisions by identifying which consumers are likely to generate more profit than the others. Thus, an ECRM strategy should be able to provide the company with very high return on the investment done upon consumer-communication initiatives (Eric & Jerry, 2001).

5. Evaluation-: The ECRM assists the organizations in affectively evaluating customer interactions and the most prominent consumer contact points which can provide highest ROI, in comparison to customer analytic reporting.

6. External Information-: The ECRM solution can be considered effective only if it is able to extract useful and relevant consumer-related info from the various channels like the Web Page Profile Application and the third party information networks.

Key Features of ECRM

There are three dimensions through which ECRM must address the need for consumer optimization-:

1. Acquisition-: The first and most fundamental aspect of ECRM is to assist the organization in acquiring and increasing the number of customers.

2. Expansion-: The second dimension on which the ECRM focuses is to expand the reach of the organizations and products and service by encouraging the consumer to purchase more (Aileen, 2006).

3. Retention-: Retaining the old customers while building up new ones is another important dimension of ECRM. An ideal ECRM strategy should be able to identify newer opportunities to cross-sell and re-sell the products to the already existing database of customers.

Overall, an ECRM solution should be able to identify and establish a central mechanism for determining the trends and patterns in consumer behavior and identifying the customer should receive which investment and at what relationship level. Although each organization might have a different set of objectives, there are some basic features which an ideal ECRM solution/strategy should possess, according to Lohse & Spiller (1998),

1. The ECRM solution of all organizations, operating in any product/service industry, must be driven by some data warehouse.

2. The ECRM solution/strategy should be focused upon consistent metrics for assessing the various consumer trends across all channels.

3. It should be structured in such way that it accommodates easily to the every changing market dynamics while always empowering the customer.

4. A typical CRM solution should be structured so as to accurately identify the profit potential of each customer and then determine the resource-allocation on each customer accordingly. This enables the organization to retain and invest in the most profitable customers and building profitable relationships.

ECRM Assessment

According to Eric & Jerry (2001), An organization that plans to evolve to ECRM solution from a basic CRM solution it should first asses its position with respect to its environment for determining its 'sophistication' level along with the ECRM continuum. The ECRM Assessment phase consists of the organizations attempts to first analyze its position in terms of the competition it faces. For the success of any ECRM strategy, it is critical to derive an accurate numerical measure of the company's performance from the perspective of the customers and

their preference for competitors. An ECRM Capability Index is the best tool for assessing and providing the benchmark for the cross-organizational comparison.

ECRM Strategic Alignment

Every organization that aims to optimize its relationships with the customers by implementing an ECRM strategy needs to take some key decisions regarding several consumer-related factors. The organizations must identify, measure and align the gaps, (previously identified in ECRM Assessment), that exist in consumer expectations and its own internal customer serving abilities.

The organizations should try to align its various functions and processes on the key decision it would take for satisfying and fulfilling the customers' expectations. The ECRM Strategic Alignment combined with the ECRM Assessment creates a highly valuable insight into the strategy and alignment areas, and develops a phased transformation approach which supports high-level businesses (Eric & Jerry, 2001).

ECRM Architecture

The ECRM Architecture phase consists of the various outputs obtained from the ECRM Assessment and the ECRM Alignment modules. A Connected Enterprise Architecture or the CEA is developed, which is relevant to the context of each organizations CRM strategy.

1. Customer Analytic Software-: This software is employed from predicting, measuring and interpreting consumer behavior, thus allowing the organization to comprehend the effectiveness of the ECRM solution. The customer analytic software to integrate all the customer-interaction software for enabling the organizations to change consumer-findings into revenue generating initiatives (Khalifa & Liu, 2007).
2. Data Mining Software-: These softwares are built for identifying the consumer's behavior patterns like purchasing, upgrading or churning from the company. The modelling of data mining software should be well-integrated with the campaign management software so as to be aligned with the various campaigns of the company.

3. Campaign Management Software-: The CMS leverages the data warehouse of the ECRM for planning and executing various, highly focused campaigns. These campaigns employ triggers that respond to consumer behavior and timed events.

4. Business Simulation-: The business solution is used along with the CMS software for optimizing the offer, channel delivery and messaging before the execution of a campaign. It also compares the ROI projections and estimated costs with the actual, real-time statistics (Luck & Lancaster, 2003).

5. A Real Time Decision Engine-: This ECRM tool is employed for coordinating and synchronizing the communication across various incongruent customer touch points. It contains the fundamental business intelligence which assists the organizations in determining and communicating the optimal message and offer in real-time, two-way dialogue with the consumer.

The below diagram gives the basic component and the architecture of a typical ECRM solution.

ECRM and the Hotel Industry

The hotel service industry is one of the most critical and highly revenue generating sectors of the tourism and hospitality industry. Since, the entire hotel service sector is customer- drive, it is important for hotel operators to build strong, and interactive relations with the consumer. With the advancement of technology and popularity of Internet, the hotel service sector has also witnessed dramatic changes. Traditionally, consumer did not have access to the websites of different hotel operators, and thus he did not have the power of choices and preference. But the advent of Internet has changed the dynamics of the hotel industry as the consumer is empowered to make a well-informed decision by evaluating his choices through the websites of the hotels (Khalifa & Liu, 2007).

This change in the consumer behavior and position has hugely impacted the customer brand loyalty. The traditional business model of most hotel organizations focused primarily on generating revenue. However, the Internet has forced the hotel operators to completely focus upon building long-lasting and strong customer relationships in order to maintain consumer loyalty.

The Benefits of Using ECRM for Building Customer/Guest Loyalty

Apart from increasing the competition, the Internet also offers newer opportunities of growth for the hotel sector. However, in order to tap the full potential of the Internet, the hotel managers need to develop and employ robust ECRM strategies. The ECRM strategy can help in optimizing the communication with the guests by utilizing all electronic communication channels. The ECRM strategy would assist the hotel managers to establish and build mutually beneficial relationships with their guests/customers.

According to Eric & Jerry (2001), one of the main component of the ECRM solution for the hotel/service industry is the Hotel Website. This is so because a website or any similar Internet presence enables the technology-friendly customer to gain valuable insight about the services offered by the hotels and thus establish a good, interactive relationship. The hotel website enables the hotel managers to give their guests a personalized experience which makes them feel comfortable and being taken care of.

The ECRM allows the hotel managers to use advanced Content Management Systems which enable setting and use of the multilingual content, thus giving guests from all parts of the globe a personalized experience. In addition, according to Luck & Lancaster (2003), with help of a well-managed (through ECRM) website, the hotel managers can use the hotel marketing principles to expand their reach and also increase the reputation of the hotel. ECRM enables very effective and highly efficient hotel marketing, and if employed to its full potential the ECRM can help in building strong consumer loyalty.

Traditional CRM V/s ECRM

The differences between the traditional CRM and ECRM can be derived upon many factors like strategy, consumer touch points, processes, goal achievement priority, nature of transaction etc. The following are the comparisons between traditional CRM and ECRM based upon the aforementioned factors as given by Harris & Goode (2004),

1. Strategy: CRM is fundamentally a business stagey which is employed for maintaining and acquiring new consumers. The ECRM, is an extension of the CRM, which employed for maintain and acquiring consumers along the electronic channels of communication (Internet).

2. Consumer Touch Points: The CRM is uses consumer touch points like interaction through telephone, mail or in person The ECRM, on the other hand uses electronic channels like the web, which includes emails and other instant messaging services,. The ECRM also integrates the electronic channels with the traditional touch points.

3. Process: The CRM employs manual processes that involves human beings for handling and interacting with the customer. The ECRM, on the other hand uses menu-based interaction, where the customer interacts with the applications. The ECRM empowers the customer to decide when and how he wants to interact with the organization.

4. Priority of Goals: The CRM uses organization-centric mechanism where the goals of the organization are given highest priority. The ECRM, on the other hand, uses consumer-centric mechanism with highest priority accorded to consumer satisfaction.

5. Emotional Dealings: The CRM strategies involve huge amount of emotional dealings because they require a lot of human interaction between the company employees and the customers themselves. On the other hand, E-CRM involves comparatively lesser amount of emotional dealings because the machines and applications interact with the customers and not actual people (Harris & Goode, 2004). The stability of a customer relationship is higher in case of E-CRM because CRM involves human frustrations and other human emotions.

6. Nature of Transaction-: The nature of transaction in traditional CRM and E-CRM is very different. The CRM supports only single transaction at a time because a human being can communicate with once consumer at a time. This leads to loss of time and customer for the company. In addition the delay in work may also result in errors. E-CRM, on the other hand, supports multiple transactions at the same time because many customers can access the website and conduct business transactions together. The E-CRM save's both time and cost for the company along with providing better experience to the customer.

7. Mode of Communication-: The CRM features a single mode of communication, while the E-CRM features multiple mods of communication. E-CRM enables the company to access all

the consumer touch points and the information collected goes to a single data repository (Korgaonkar & Wolin, 1999).

8. Constraints-: In CRM, the biggest constraint is that the transactions are extremely limited by the geographical limitations and the time. In E-CRM the transactions can take place without any limitations of the time and location.

9. Return on Investment-: The ROI is usually difficult to calculate in CR. On the other hand, E-CRM assists the companies in calculating ROI on the basis of the customer life-cycle value.

Overall, it can be said that the CRM strategies were sufficient for business who did not conduct their business online and did not follow a consumer centric approach. However, in the online world, CRM evolved into E-CRM which enhanced the features of traditional CRM in order to align the business processes with the customer needs.

Recommendations

With the increasing use of Internet as a means of seeking information and an effective tool for electronic commerce, the consumer touch point has shifted from real-time interaction to the online presence. Specifically in the hotel/service industry, an online presence is vital for its success (Korgaonkar & Wolin, 1999). A web site is the most optimal way for representing a hotel and its services online. Through a website, a hotel can offer the guests/customers a comprehensive view of its services along with empowering the consumer to make online reservation. The most basic checklist for a good hotel website is as follows-:

1. The loading time of the website. This is a very important feature because a guest or customer gets immediately put off if a website takes too long to load. The consumer starts to feel that when the website service is not good, then the actual service of the hotel is sure t be slow and becomes wary.

2. The color and font use of the website. The hotel industry is based on making the guest and consumer feel good and comfortable. Since the communication nowadays is based on electronic medium, the website needs to be pleasing and aesthetically enhances. Thus, the color and font use of the website plays a huge role in attracting the attention of the customer and then making him/her feel happy and offer an overall aesthetically pleasing experience.

3. The organization of content and information. This is one of the major factors which creates a huge impact on the customer. When a customer visits the website of a hotel, h/she usually expects aesthetically pleasing and yet informative content on the website. Unplanned and wrong organization of content can lead to loss of customer.

On the one hand, a website plays an important role in mediating information between the hotel companies and the consumers. On the other hand, a website which fails to provide a positive and aesthetically appealing information to the consumer can significantly reduce its business and lead to huge loss of revenue and brand value. The poor website design can result in a loss of almost 50% of sales because the guest/customer was unable to find what they wanted, and 40% hotel revisits because of the initial negative impact of the website. Even though hotel industry has witnessed huge change, many hotel companies still lack the required knowledge to build a useful, informative and impressive online presence through a website (Hoque & Lohse, 1999). From the empirical research it was found at that while some hotel companies had put a lot of information on their website, while some websites had put very less and obsolete information on the website. Outdated information is the worst mistake a hotel company can conduct because it leaves a very bad impression upon the minds of the guests and the customers.

It's highly recommended that the hotel companies should invest in www ventures in order to gain consumer loyalty and brand reputation. In the hotel and the service industry, building brand value and consumer loyalty are the two most important aspects. In the times of Internet, a useful and well-organized website can be the best tool for building brand value (Hoffman & Novak, 1996).

Theoretical Website Model

In the present study, a theoretical model website is recommended for future hotel companies who want to reach a larger consumer base. The theoretical model of website has four basic pillars; Environment, Holistic Environment, Moderators and Responses. The overall impact of a hotel website on the guest/customer completely lied upon the aforementioned aspects of the website (Verhoef, Francis & Hoekstra, 2002).

Environment-: The overall environment of the website is basically the creative palette of the website. By creative palette, the overall look and feel of the website is to be discussed. When a consumer visits a hotel website, he/she expects it to have a user-friendly layout and relevant well-organized information. The environmental factors which the hotel companies need to keep in mind while developing the factors include-:

a. Typography-: The typography of the website is the fonts used by the website to present its information, the fonts used should not be very difficult to understand as the user might not understand the information.

b. Colors-: The colors of a hotel website should be lively and welcoming so that the guest/customer feels lively and happy about the overall environment of the hotel. A dull website may send a wrong impression to the consumers regarding the actual hotel.

c. Layout-: The layout of a hotel company website should be such that it makes it easy for the customer to navigate and look for the relevant information without wasting too much time and effort.

d. Pictures/Images-: This is the most important aspect of a hotel website because through the images of the actual rooms and locations, the hotel company can impress the customer. If there are are no images or pictures, a consumer might feel at a loss and might end up not booking with the hotel.

The other environmental factors include music, concepts, messages and weight of the information. The hotel industry has several types of hotels like the luxury resorts, the nature resorts, the budget hotels etc (Hoque & Lohse, 1999). These hotels are classified on the concept they are based on. The hotel website needs to clearly represent the concept of the hotel via its environmental aspects like the information, the typography and the images. For example, a heritage hotel chain has the concept of using old palaces and heritage sites as rooms and halls for the guests. The website of a heritage hotel company should clearly convey its concept by using fonts and images which complement the concept of a heritage hotel.

Holistic Environment-: In the words of Hoffman & Novak (1996), the holistic environment for a hotel website should have the three dimensions including entertaining value, interactivity and effectiveness. When a customer visits the hotel website with the prospect of future stay, the overall aesthetic, and social and accessibility factors of the website leaves a major impact on the minds of the consumer.

a. Entertaining Dimension-: The entertainment dimension of the website consists of the aesthetic appeal of the website and the recreational aspects which the website offers. The aesthetic appeal of the website is basically judged by how well the information is organized and presented to the customer. The recreational factors of a hotel website include the virtual tours of the hotels etc.

b. Interactivity-: The interactivity of the hotel website has two aspects including the interaction with the customer, and its presence on the social media. The interaction with customer is an important factor and can be achieved by adding surveys, questionnaires and pols on the website, asking the customer about his preference and choices. The hotel industry is based on the aspect of making the guest feel unique and special even when away from home. The website of the hotel company should also make the guest feel wanted and important, and the interactivity dimension of the website enables the hotel company to do so (Zeithaml, Berry & Parasuraman, 2002).

c. Effectiveness-: The overall effectiveness of the website depends upon the ease of navigation of the website and the accessibility of the website. For example, if a hotel website has ten active module/pages, then they should be interlinked in a way that the customer is able to gain maximum information in minimum time (Ip, Law & Lee, 2010). If the hotel website is not easily navigable, the customer gets the impression that the actual service of the hotel might also have similar service. Thus, the hotel company can lose a huge amount of its sales if it does not present information keep in mind its effectiveness.

Moderators-: The moderators of a hotel website are the physiological response, the cognitive response and the affective response of the customer to the website. When a customer visits the website of a hotel, there might be many physical reactions to the sound volume, the luminosity and the graphic effects of the website. A positive physiological response results in further

navigation of the website, where as negative physiological response may result in complete ignorance and future avoidance (Verhoef, Francis & Hoekstra, 2002).

The cognitive response on the other hand is elicited from the technical or commercial information which is conveyed via the text of the website. The hotel industry is classified into budget, economy and luxury hotels on the basis of how expensive or cheap they are. When a guest or consumer visits the website of a hotel, the text and the information creates a cognitive response of whether it is elegant, expensive or cheap. The affective response is basically the response of the consumer to the overall appeal of the website.

Responses-: The final response of the customer to the hotel website can be categorized into the following ways-:

a. Evaluative Responses-: The evaluative response of a customer to the website of a hotel are of three types including attitude towards the site, the behavioral intention and satisfaction of the consumer. According to Verhoef, Francis & Hoekstra (2002), the evaluative responses are basically of two types hedonic and utilitarian. The utilitarian aspect of the website is mostly concerned with the effectiveness of the website, while the hedonic aspect is concerned with entertainment value of the website. In context of a hotel website, the entertainment value can be added by offering virtual tours and other interesting facts and information about the hotel and its location.

b. Behavioral Responses-: The behavioral responses of the customer to a hotel website are the shopping behavior of the customer, the purchasing power, and the communication with the consumer. A hotel website needs to gain and maintain the consumer attention to the website and this can only be achieved if the customer id offered enough options to explore. The purchasing power of the customer also affect the overall performance of the website (Ip, Law, & Lee, 2010).

Apart from the environment, the holistic environment, the moderators and the responses, the theoretical model for the hotel websites also have some other modules like-:

a. The Individual Sensitivity to the environment which is different for each guest/customer.

b. The situational factors of the customers which majorly impact how they respond to the website.

c. The familiarity and the visit motivation offered to the consumer by the website.

d. The personal factors of the customer including the age, gender, expertise and socioeconomic status of the consumer.

The Recommended Essential Features of a Hotel Website

To sum it up, according to Ip, Law & Lee (2010), the essential features which a hotel website should have in order to leave a positive impact on the minds of the guest/customer include the following modules-:

1. Overall Look and Feel of the Website (Aesthetic Value)-: The website of an hotel should not be plain and dull, but rather it should entail extensive use of graphics, bright colors, concepts, typography and other features in order to leave a memorable impact on the memory of the consumer. The aesthetic value of the website is important to build the brand value and reputation.

2. Recreational Features and Interactivity (Entertainment Value)-: The website of a hotel needs to interactive and recreational in order to give the users an enhanced and unique experience. If the customer is entertained, he/she will return to the hotel website again and thus creating brand loyalty and consumer life-cycle value.

Conclusion

The Internet and World Wide Web has changed the way business in conducted across all industry. The hotel/service industry has witnessed huge transformations in terms of trends in consumer behavior and preference. Customers now want to browse and transact through online mediums and this has led to the focus of business changing from maximizing revenue to making the customers happy (Sterne, 1996). The consumer-centric metrics have become the most important tool for the success and failure of any business. Customer Relationship Management is a set of tools and strategies companies employed for creating enhanced and more in-depth

relations with the customers, through traditional channels. Building consumer loyalty and creating a strong bond with the customer is important for a business to survive in face of tough competition. Everyday companies launch new and attractive marketing ideas to attract the customer. In such a scenario, CRM strategies are potential tools for retaining the existing consumers and attracting new ones. However, with change in times and technology, the traditional channels of customer interaction have faded, and new online mediums have emerged. Most companies are conducting their business via online mediums like the Internet and World Wide Web. Email, Instant Messaging, Surveys and Websites are amongst the various ways used by the companies and the customers to interact with each other. In the wake of online medium, CRM strategies were not capable enough to assist the companies in building strong bonds with their customer base. This led to the use of E-CRM or Electronic Customer Relationship Management. E-CRM is an advanced version of CRM which enables the company to communicate effectively with the consumer over both traditional and electronic mediums.

In context of the hotel industry, E-CRM strategies enables the hotel companies to build good, robust websites, which were used as the central consumer touch point. In the hotel industry, building consumer loyalty is extremely important. The success of a hotel is completely based upon the satisfaction of the guest. Traditionally, the customers had to visit the hotel for evaluating its service quality. However, in modern times, the customer just visit the website of the hotel for doing a basic quality check. Thus, it is the website which decides the success and failure of a hotel company. The website of the hotel should have the overall aesthetic value, entertainment value, ease of navigation, should allow the customers to communicate online and should also provide features for online booking and transactions Eric & Jerry (2001).

Conclusively, E-CRM is the most important tool the companies possess for thriving in competition and taking the lead. The E-CRM capabilities empower the company to understand the customer patterns and offer product and services which are aligned with the needs of the customer. The hotel/service industry also benefits hugely from the overall E-CRM strategies since they can reach a larger consumer base and generate higher profits

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