

**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
GRADUATE STUDIES**



**Perception of Managers toward Customer Relationship
Management: The case of Four Star Hotels in Addis Ababa,
Ethiopia**

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ID: GSR/2127/05

**A Thesis Submitted to School of Graduate studies of Addis Ababa
University in partial fulfillment of the requirement for Master of art in
Marketing Management**

Advisor: Dr. Birara Tesfaye

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Declaration

I, the undersigned, declare that, this research paper is my original work, has never been presented in this or any other university, and that all resources and materials used herein have been duly acknowledged.

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Date of submission 30 May, 2014



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Statement of certification

This is to certify that Ato Eshet Fantahunegn has carried out his post-graduate thesis work on the topic entitled “Impact of Managers’ perception toward Customer Relationship Management: The case of Four Star Hotels in Addis Ababa, Ethiopia”. The work is original in nature and suitable for submission for the award of Master of Degree in Marketing Management (MA)

Advisor: Dr. Birara Tesfaye

Date: _____



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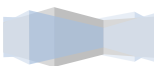
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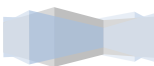
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Abstract

This study aims to examine the impact of hotel managers' perception toward Customer Relationship Management specifically those who works for four star hotels in Addis Ababa. The paper utilized a questionnaire-based quantitative study to test a series of hypotheses concerning how the perception of managers toward CRM related with the managers' demographic characteristics and the characteristics of the properties. The influence of their perception toward CRM and the possibility of using, continuing using and recommending CRM also tested. According to the study younger and better educated managers were the majority for this study indicating that the emergence of the younger generation of managers in the hotel industry. Although most of the managers are familiar with CRM and indicate an interest to implement CRM in their hotel since the majority of hotels are smaller and independently managed one might think that they are less likely to invest in these types of technologies and training programs because they have no enough establishments to take advantage of the economies of scale.



Acronyms:

ADR: Average Daily Rate

B2B: Business to Business

B2C: Business to Consumers

CRM: Customer Relationship Management

CPA: Customer portfolio analysis

CVC: Customer value chain

GOE: Government of Ethiopia

IDIC: Identifying, differentiating, interacting and customizing

IT: Information technology

JIT: Just in time

LTV: Long term value

Meskel/Damara: The finding of the true cross

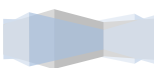
MoCT: Ministry of Culture and Tourism

QCI: Quality Competitiveness Index

RM: Relationship Marketing

SSC: Strategically significant customer

UNESCO: The United Nations Educational, scientific and Cultural Organization



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CHAPTER-ONE

1. Introduction

Ethiopia is a strategically important country in the Horn of Africa for most countries and therefore, many international meetings and conferences are held in Ethiopia. The number of leisure and business travelers increases from time to time. The government foreign direct investment policy attracts the attention of many business people toward the country. These creates a huge demand for accommodation at an international standard and even an increase in such a demand is expected in the future because the importance of Ethiopia has been growing and many international organizations have been continuously strengthening their institutions and augmenting their personnel in Ethiopia.

Ethiopia is also one of the African countries that possess the highest number of UNESCO World Heritage Sites in Africa, with 10 sites spread throughout the whole country including the two recently added ones “the finding of the true cross (Meskel/Damara)” in 2011 & “the Konso Cultural landscape” in 2013, and therefore has great potential to develop itself as a tourist destination. The Government of Ethiopia (GOE) has prioritized tourism development in its development strategy to optimize the existing tourism resources as a driving force of economic growth for the whole country. The launching of a tourism board which involves almost all higher government officials and chaired by the prime ministry of the country is the first in its kind in the history of the country and a good indicator of the priority given for the sector development.

The capital city Addis Ababa is founded by Emperor Menelik in 1887; and situated in the foothills of the 3,000 meters Entoto Mountains. Since that time the city is not only the political capital but also the economic, political and social nerve-center of the country. Like any other capital in the world, there is more than enough for anybody to do in Addis. There are numerous hotel & restaurants offering world class accommodation & various foreign dishes.

Addis Ababa is as multi-ethnic as any of the world's great metropolises, and the architecture is as varied as the city itself; Giant mixed business buildings, elegant villas, luxury hotels, fashionable conference facilities, fully equipped theater and cinema houses, and world class roads etc.... Recently many new branded international and local hotels are entered in to the business & there are also a lot under construction in different part of the city, stimulated by the initiative of government of Ethiopia and the sharp rise in demand. These results creating a strong market competition and provide a wide option for both local & foreign guests.

Now a days the hotel industry is experiencing automation, globalization, liberalization, increased competitiveness, increased customer switching rate, increasing customer acquisition costs, less brand loyalty, the more price sensitivity etc. as other industries. Several studies manifest that the hotels must concentrate on the implementation of CRM to increase the guest loyalty, which ultimately enlarged the profitability of the entire organization. CRM commits to accumulate and archive information about customers and disseminate this information throughout the organization to ensure creation of customized services by an organization to provide a unique customer experience.

CRM can bring many benefits to hotels like increasing customer loyalty, satisfaction, customer retention, market share, occupancy of customers with the organization, ADR and decreasing acquisition costs. Hospitality industry, which markets leisure, realizes it very challenging to the implementation of CRM. Several Studies show that more than 50% CRM implementation program collapses moreover does not apprehend predetermined goals and objectives. Successful CRM implementation is which achieves target of attracting, retaining, and nurturing relationship with customers. Therefore, successful CRM implementation in any industry or organization is a challenging task and requires commitment at each level of the management. There are so many approaches proposed by renowned scholars for implementation of CRM successfully, which encompass various dimensions.

1.1 Statement of the problem

For business organization like hotels in order to retain customers it's advisable to create relationship with them. CRM is one of the vital tools to build this relationship with customers. Whereas when we see the current condition, most of the hotel managers in Addis Ababa focus on value, location and quality of service/product as their primary competitive strategy which means the value of CRM looks ignored. Of course it is clear that the mentioned points are very important and critical for hotel business. However, the contribution of CRM toward customer loyalty can't be underestimated.

In the current competitive market environment the importance of adopting CRM program as an initiative is significant. By considering that very few modern hotel managers in the city are applying CRM program as a new approach to retain their customers & remain competitive. However, the majority managers prefer to stick with the conventional/transaction based approach for various reasons. By considering those conditions this research is designed to asses if there is relationship between managements' perception toward CRM and hotel managers' demographics.

It is known that attracting new customers is more expensive than retaining existing one. CRM is a strategy which helps to retain existing customers & attracting the new ones through the existing customers. However, it's very uncommon to see hotel managers implementing CRM as part of their marketing strategy rather most of them look considering it unwise, costly and time taking. In response to this problem, the study will examine the importance of CRM concept implementation for hotels.

In hotel industry it is quite common to see guests who strongly tied with a certain brand for different reasons. Considering that hotels usually exert the best of their effort to build a very strong brand. To realize their effort they employ CRM as a tool. Nevertheless, all hotels don't look equally benefited from their effort. Having this problem in mind the research is designed to asses if there is any relationship between importance and performance of CRM with hotel properties' characteristics; and hotel managers' demographics.

In order to be profitable and sustain in the business hotels needs to develop a long term relationship with their customers. To develop this long term relationship CRM program plays a vital role. Those hotels that don't have loyal guests should rely on walk- ins/chance guests, which is highly risky in hotel business. Considering those factors this research aimed to find out if there is a GAP between hotel managers' perception towards importance and performance of CRM applications in Addis Ababa's four star hotels.

1.2 Basic Research Questions

The research aimed to answer the following questions:

1. How hotel managers' perceive CRM concept?
2. What is the importance and performance of CRM concept implementation for hotels?
3. What is the relationship between importance and performance of CRM with hotel managers' demographics?
4. What is the relationship between importance and performance of CRM with hotel properties' characteristics?
5. Is there a GAP between hotel managers' perception towards importance and performance of CRM applications?

1.3 Objectives of the Study

1.3.1 General objective:

The main objective of this research is to examine hotel managers' perception toward Customer Relationship Management.

1.3.2 Specific objectives:

The followings are some of the specific objective that the research aims to achieve:

1. To assess the perception of hotel managers' toward CRM concept, tools, implementation strategies and outcomes;
2. To identify the importance and performance of CRM concept implementation for hotels
3. To find out the relationship between importance and performance of CRM with hotel managers' demographics;
4. To examine the relationship between importance and performance of CRM with hotel properties' characteristics;
5. To determine the GAP between hotel managers' perception towards importance and performance of CRM applications;

1.3.3 Hypothesizes

The hypothesizes to be tested in the research are as follows:

Ho1: There is no significant relationship between hotel managers' perception towards CRM, importance and performance of CRM and their demographics (e.g., age, education level, gender);

Ha1: There is significant relationship between hotel managers' perception towards CRM, importance and performance of CRM and their demographics (e.g., age, education level, gender);

Ho2: There is no significant relationship between hotel managers' perception towards CRM, importance and performance of CRM and hotel properties' characteristics;

Ha2: There is significant relationship between hotel managers' perception towards CRM, importance and performance of CRM and hotel properties' characteristics;

- Ho3: There is no significant GAP between hotel managers' perception towards performance of CRM attributes and the importance of CRM attributes;
- Ha3: There is significant GAP between hotel managers' perception towards performance of CRM attributes and the importance of CRM attributes;
- Ho4: There is no significant impact of hotel managers' perception towards performance of CRM on likelihood of using CRM, likelihood of recommendation CRM and likelihood of continuing use of CRM;
- Ha4: There is significant impact of hotel managers' perception towards performance of CRM on likelihood of using CRM, likelihood of recommendation CRM and likelihood of continuing use of CRM;
- Ho5: There is no significant relationship between hotel managers' familiarity with CRM and possibility of implementing CRM in the future;
- Ha5: There is significant relationship between hotel managers' familiarity with CRM and possibility of implementing CRM in the future;

1.4 Significance of the problem/Study

The theoretical and practical significance of the study described as follows:

This research could form a base for further studies in the area of hospitality industry. It could also contribute in explaining the CRM concept for those who are interested in this field. Hotel managers can be benefited from the result of this study to develop new strategy in CRM concept development and implementation.

It may also provide a new point of view regarding CRM in terms of determining its importance and performance on Addis Ababa four star hotels. In addition; It may give a new understanding toward the factors that affect CRM implementation on Addis Ababa four star hotels.

1.5 Delimitation/Scope of the study

Hotels can be classified based on different parameters. Among the many, based on their facility we can classify hotels into different star category. When we see the current case of our country Ethiopia the mandate of hotel star rating is given for the Ministry of Culture and Tourism. The rating start from basic hotel and extended to one star, two star, three star, four star, five star & five star deluxe hotels. Based on the MoCT currently the city has more than 120 star category hotels (from basic to five star deluxe) about 30 of them are four star Hotels. Considering all hotels under this study will be difficult and unmanageable from time, money and experience constraints point of view. Therefore, the study will focus on only four star hotels in Addis Ababa.

CHAPTER-TWO

2. Literature Review

2.1 Overview of CRM

The CRM has been defined by several scholars from different points of view. The concept of CRM has been enriched from various viewpoints namely loyalty, satisfaction, retention, allocation of resources for retaining customers, top management involvement in support of CRM, employee involvement, effective chain management, after sale services to customers, organizational learning, organizational structure etc. In this part of the paper, views of several contributors towards the concept of CRM have been covered.

The concept and definition of CRM is very fragmented and spread in several areas from information technology to loyalty and from customer satisfaction to customer retention. Ngai (2005) remarked that CRM is a widely accepted business approach throughout and indicates that there is no definition, which is accepted unanimously. Zineldin (2003) stated that CRM is a complex and holistic concept requiring appropriate business process and integrated systems. Moreover, it also mandates effective system integration, information sourcing, targeting, leadership and evaluation within CRM strategies. Zineldin (2006) added that customer loyalty and competitive positioning can be achieved by the organization through superior product/service quality, product differentiation, and CRM. He further emphasized that high quality product and service along with CRM give the opportunity to provide customer something new, distinctive and special.

Pyne and Frow (2005) developed definitional aspect of CRM and identified three perspectives of CRM, moreover emphasized on the need for cross functional, process oriented approach in CRM at a strategic level. They identified five key cross-functional CRM processes namely: 1. Value creation process, 2. information management process, 3. multichannel integration process, 4. strategic development process, 5. performance assessment process. They developed a new conceptual framework of CRM based on these processes and have defined the role and functions of each element in the framework.

Ryals (2005) analyzed that CRM endeavors deliver greater profitability of the organization. However, CRM should be implemented effectively. Customer relationship can be effectively implemented by using various knowledge management measures such as technological tools and informational infrastructure etc. (Cao and Gruca, 2011; Minghetti 2003). According to Dyche (2001) CRM can be framed into following main categories i.e. 1. Operational CRM, 2. Analytical CRM and 3. Collaborative CRM. The operational CRM facilitates the organization to face the customer, while analytical CRM in which customer data are used in such a way that nurture the relationship with customers, tools like data warehousing and data mining are used in analytical CRM. Collaborative CRM is an approach of collaboration with customers through several channels which enhance the quality of customer interaction.

Sin *et al.* (2004) developed the CRM scale in which they have elicited four major constituents of CRM namely: 1. key CRM organization, 2. customer focus, 3. knowledge management, and 4. technology-based CRM. Key customer encompasses the profitable or important customers. The

CRM organization encompasses organizational structure, organization wide commitment, human resource management etc., Knowledge management encompasses knowledge generation, learning, dissemination, sharing and responsiveness, whereas technology based CRM calls for all measures to be included which make organization IT enabled.

Frow *et al.* (2009) perceived CRM as a process and stated that its dark side can be aligned with Key CRM strategies to make it more effective. Scholars have stressed on the effective use of CRM and making valued customers, Ryals (2005) said that value of customers and customer management strategies are interlinked with each other, while (Payne and Frow, 2005) vocalized that value creation process in which customers and the organization receives value is an interconnected process with the other linked process of relationship management.

Christopher *et al.* (1991) conversed about relationship approach in effective marketing and argued that the relationship based approach is required as a new way of effective marketing environment, they further emphasized that one-to-one relationship is required to make the customer happy as well as organization profitable. Reinartz and Kumar (2003) developed a framework to suggest the projections of profitability of customers. They developed various key implications which are useful for decision makers in long term relationships. Ryals (2005) explained that retention of customers is not only an important area, but retention of profitable customers is decisive for any company. Moreover, he confronted that value of customer and customer management strategies are closely interlinked and analysis of customer value will lead to the change in strategies of customer management.

Osarenkhoe and Bennani (2007) rationalized in their study that degree of success is purely based on the level of involvement of employees of the organization at several organizational stages. Furthermore, they elicited in their study that involvement of top management, systematic communication, customer loyalty; training programs are very authoritarian in successful CRM implementation. Srinivasan and Moorman (2005) have nodded out in their research that prior strategic commitments consign impressive results on the performance of CRM investment. Love *et al.* (2009) deduced that top management support is consequential in successful implementation of CRM because employees will not follow the new ideas until executive do not show high level commitment in it.

Gustafsson *et al.* (2005) discussed that customer retention is possible with the help of customer satisfaction, affective commitment and evaluative commitment. CRM managers have to elect the factors to focus on. If CRM managers fumbles that customer satisfaction is the main driver of customer retention, all the programs and plans should endeavor to augment the customer satisfaction. Harrison *et al.* (2004) remarked that companies must proactively assist during every stage of the buying process and continuing the bolster after the sale. They advocate over the use of business to business relationship practices.

Tanner *et al.* (2005) expressed that account management and organizational structure yearn to be addressed in customer relationship management. They emphasized that all care should be taken into consideration in the adoption of the CRM special effect of environment and cultural factors on employee. Companies should address the operational issues concerning in the implementation and maintenance of CRM strategies. Bendapudi and Leone (2002) signaled over the relationship of

employee and customer, elicited that sometimes employees and customers have stronger relationship rather than firm-customer relationships. They proposed the management of customer-firm relationship and the firm-employee relationship. The firm should offer more service, emphasis on corporate citizenship, and develop more sources of links for customer contact.

Scholars also contributed in terms of CRM applications and its effectiveness in advancing customer knowledge. Mithas *et al.* (2005) deduced in their study that CRM applications enhance the customer knowledge when firms share more information with their supply chain partners. Their study also determined the mediating role of customer knowledge in effect of CRM applications on customer satisfaction. Customer relationship perception and relationship marketing instruments are very effective in customer retention and customer share development. Verhoef (2003) investigated on the issue of customer relationship perception and relationship marketing instruments. He examined the effect of these two points on customer retention and customer share development and elicited that affective commitment and economical relationship marketing instrument programs enhances customer retention and customer share development. Furthermore, He proposed that positive customer perception and effective use of relationship marketing tools can be very progressive not only for short term but for the long term too.

Morgan and Hunt (1994) in their research on relationship marketing remarked that relationship marketing constitute a base for "establishing, developing and maintaining successful relational exchanges". Taylor *et al.* (2009) stressed on relationship commitment and trust for successful relationship marketing and argued that CRM also enlightens in terminating unprofitable customers though analytical CRM. Zebblah *et al.* (2003) conversed that CRM is "a philosophically-related offspring to relationship marketing which is neglected in the most part of the literature." Further, implied that "further exploration of CRM and its related phenomena is not only warranted but also desperately needed." Managing customer relationships was not difficult in earlier times because merchants knew their customers' taste. But as cities grew, companies became larger and people became more mobile, the close relationship between merchants and customers eroded. Nowadays, many companies are working hard to get closer relationships with their customers by capturing internal and external data and analyzing that data to find their customers' needs and preferences.

The goal of Customer Relationship Management is to align customer strategies and business process for long term customer loyalty which results in profitability of companies (Rigby, Reichheld, and Scheffer, 2002). Customer relationship management related customer strategies are tailoring the physical product and service delivery process to the needs of customers and the preferences of individual customers. These strategies also include developing customized marketing communications at the individual customer level (Haley and Watson, 2002). Many hotel organizations implement one or all of these customer strategies. For example: Radisson International identifies three components in its customer relationship program which are recognition and personalized service, incentives and customized dialogues (Adams, 2001). Rosewood Hotels and Resorts send questionnaires to its guests before they arrive and ask their preferences such as pillow type or beverage type in the mini bar (Marsan, 2000).

Since CRM covers the entire organization, lack of buy-in, planning, training and overall leadership

may result in failure. To help CRM to succeed in any organization they should remember four basic tips: First, sharing vision and training the employees are important factors for the success of CRM. Key leaders should discuss the corporate vision of how they want CRM to achieve goals. They should also train their employees and give them more decision-making power. Second, planning on all levels to support and get perspective is another way to have successful CRM. Organizations should get feedback from the staff about their current interaction with customers and their future plans about delivering better service. Third, using data to enhance ROI, which is the other tip for successful CRM, happens by enhancing the guest experience with CRM technology and leveraging marketing strategies. Fourth and finally, measuring constantly and fine-tune strategies helps facilitate better business decisions with regards to CRM. By keeping thorough contact history for each customer and tracking when, how and what their response was for each communication they can take advantage of CRM (Holm, 2003).

An effective CRM effort needs to address three CRM components: First, applications; second, infrastructure; and third, transformation. Some companies may have an urgent need for specific CRM application and a quick benefit may help them. The most popular applications are database marketing, telephone call centers, Web marketing, direct mail campaigns, field sales, Web self-service, Web portal and e-mail marketing. Underlying technical infrastructures of CRM applications provide computing power, telecommunications links to connect applications to each other, and logical data consistency to help the applications share information. Storing a large amount of data is not enough, so CRM applications need to be able to tap into that data. This requires a data infrastructure which incorporates common data models. CRM requires a change in organizational culture and business practices. However, it is very difficult to change organizational culture. The changes includes more than information systems to business processes, incentive structures, organizational structures and employee roles (Goodhue, Wixom, and Watson, 2002).

CRM became the next big thing when companies realized that the labor intensive process of relationship marketing was becoming too costly, and can be improved by utilizing information technology. CRM is an important topic in the fields of marketing management, information strategy and business strategy. It reflects a number of different perspectives, and sometimes it is described as marketing forms such as; quality management, database marketing, customer partnering, service marketing, customer retention, customer loyalty and customer share (Rich, 2000). According to the recent literature, the lodging industry in the U.S.A. uses CRM for the following benefits: to gain new customers for the organization; to make the best from the existing customers; and to retain the customers for a longer life cycle (Piccoli, O'Connor, Capaccioli and Alvarez, 2003). CRM differs from traditional marketing because traditional marketing has a short- term transaction approach while CRM has a long-term relationship with the customers.

Despite its limitations, CRM is still a new and a very hot topic in today's competitive business world and the indication is that it will become a much necessary course of action for the future of the lodging industry in U.S.A. (Adams, 2001).

The important objective for CRM is to increase the lifetime value of customers. RFM (recency, frequency, and monetary value), a model used to measure the lifetime value of a customer is based

on three empirically based principles; customers who purchased *recently* and *frequently* and who spend the most *money* in total are more likely to buy again. By having an RFM score, companies can determine the lifetime value of a customer because customers with a high RFM score usually have the highest lifetime value (Ivey, 2001).

There is a four-step process which is the core of CRM. In the first step, companies should *identify* their customers; second, they should *differentiate* their customers in terms of both their needs and their value to them; third, they should *interact* with their customers to improve cost efficiency and the effectiveness of their interaction; in the fourth and final step, they must *customize* products and services for their customers (Harvard Management update, 2000).

Management companies and owners face the same dilemma about whether to participate in brand-level CRM initiatives or not. Owners also may want to use the data for their operational purposes (Tourniaire, 2003).

One of the CRM service providers in the lodging industry is Hospitality Marketing Concepts, which is the leading solution provider of loyalty membership programs called Club Central CRM. This Web-based Customer Relationship Management application, specifically designed for the hospitality industry, gives hoteliers the marketing opportunity to help them get ahead of their competition. By using Club Central CRM, hotels can collect and manage client information, identify key clients and communicate with target segments (HMC, 2005). When Radisson Hotels and Resorts discovered that they were losing their market share, they decided to take a different marketing approach. They pursued data driven infrastructure changes initiated and developed by the corporate information technology division. First, they moved all Radisson franchisees to a common suite of applications for reservations, operations and guest tracking. Second, they developed an enterprise data model and a common data dictionary. By the end of 1999, Radisson Hotels and Resorts had a substantially integrated data infrastructure in place. This initial infrastructure helped the new Director of CRM in Radisson's marketing department to launch a data-intensive customer loyalty program, which had become a tremendously successful incentive system in the travel market (Goodhue, Wixom, and Watson, 2002).

2.2 Definition of CRM

As customers get more educated and demand more, and as competition increases every day, firms choose to focus more on customers than on products and services.

Relationship marketing and CRM are the result of such increased competition. More companies realize that strong and personal relationships with their customers make a difference in this highly competitive marketing environment.

Until recently, most of the vendors focused on their products and their marketing campaigns. But after relationship marketing emerged in 1990, they began to focus on developing and maintaining a relationship with individual customers. This relationship marketing also relied on a two-way dialogue between companies and their customers.

However, one important handicap for this relationship was the high cost of labor to provide it. CRM has different meanings for different companies. Some companies think of CRM as creating offers to customers based on their past behaviors and demographic characteristics, while the others think

CRM means giving service representatives to increase profitability. To optimize interactions with both prospective and current customers, it is an important factor for companies to collect, store and manage data on every interaction with their customers. Those data may come from a salesperson, a Web page or a call center (Goodhue, Wixom, and Watson)

2.3 Relationship Marketing

The goal of relationship marketing programs is to deliver the highest possible customer satisfaction. The important and critical thing for companies is to deliver performance which matches or exceeds customer expectations. Because competition gets more intense, hotels depend more on relationship marketing. There is little differentiation among products in the hotel industry. For example, general managers of a Sheraton in Asia were shown pictures of hotel rooms from their hotel and three competitors. They were given a list of eight brands from which to choose but most of them couldn't identify even their own hotel's rooms. The difficulty experienced by hotel brands as a result of having almost the same physical attribute is a major factor that drew the industry's attention to relationship marketing in the 1990's. The major purpose of relationship marketing is to build customer loyalty. It is interested in customer loyalty more than pure economics and product attributes (Bowen and Shoemaker, 2003).

According to Yesawich (1991), who projected the importance of database marketing and/or CRM in 1991, the lodging industry should start building true customer relationships by having the following: First, a database, which is an automated file of consumption information on guests with whom a hotel wants to build a relationship.

Second, a consumption monitor, who helps hotels track the consumption patterns of the guests with whom they intend to create a relationship. Recognition of important customer characteristics is the third one, because a relationship begins and grows with true recognition. It is an essential part of relationship building. Fourth, the effective reward system is used to build marketing relationships along with recognition. It doesn't matter what form it has, reward is essential to support purchase behavior. Last, is an ongoing communication, which is the most important element, because the others are not meaningful without maintaining communication between the two parties (Yesawich, 1991).

Trust and commitment are the heart of relationship marketing. According to relationship marketers, the future of buyer-seller relationships depends on the commitment made by the partners to the relationship. Trust is considered important to commitment and long-term relationship marketing. When a hotel holds a block of rooms at a reduced corporate rate, they make a short-term sacrifice, because those rooms might be sold at a higher rate if the block were released, but earn a long-term benefit of working with a regular customer. The network and interaction theorists explain trust as a social bond between the parties (Turnbull and Wilson, 1989). It is viewed as a valuable advantage in a relationship. Trust is perceived as reducer of uncertainties and risk. It also considered a key variable for relationship success (Morgan and Hunt, 1994; Kemp and Ghauri, 1998; Boersma et al., 2003).

Benefits help customers to make a commitment to hotels. For a customer to see a relationship with a hotel as valuable, that relationship must provide that customer some benefits. For example, Sheraton revised its housekeeping system to let its Sheraton Club International members to check out as late as 4.00 PM. A committed customer might be more likely to buy food and beverage from the hotel with which he has strong relationship. On the contrast, the guest who doesn't have a relationship with the hotel will be more likely to eat outside rather than the restaurants of the hotel. A committed customer, or a loyal customer, is very important for hotels because they are valuable customers. A valuable customer returns to make repeat purchases, purchases more of the hotel's products and services, and participates in partnership activities. Loyal customers provide information to hotels. Some of them might serve on an advisory board. The other important factor about loyal customers is that they have less sensitivity to price changes.

Benefits and trust are a major element of loyalty. They are also at the heart of relationship marketing. So by having a good relationship with guests, by providing benefits and trust, hotels may have more loyal customers who result in more revenue (Bowen and Shoemaker, 2003).

According to Venetis and Ghauri (2004) relationship commitment determines the long-term retention of customers. Although service quality are seemed to be positively related to customer retention not much known about its impact on customers' relationship commitment. Since commitment is a dynamic concept, the link between service quality and customers' commitment may not be simple. Finally they define relationship commitment as a partner's intentional continuation of a business relationship. It not only refers to future intentions, but also makes a committed relationship different from a simple transactional relationship.

The principle underlying relationship marketing is so simple: If a hotel recognizes repeat customers, rewards them for returning and engages them in two-way dialogue, they will be prompted to come back. This concept is important to the lodging industry for many reasons. First and most importantly, the purchase cycle among heavy consumers of hotel rooms is short and has weak repetition. Second, customers provide crucial information about themselves every time they consume in the lodging industry. Third, according to existing research, 60 percent of business travelers are visiting the destinations on their journey for the first time. Those three reasons suggest that it is easy to build a relationship with guests. But the important thing is that going beyond the essential demand, that all guests be given excellent service (Yesawich, 1991).

2.4 Dimensions of Relationship Marketing

Relationship marketing has the following key dimensions:

1. **Trust** has been defined as "A willingness to rely on an exchange partner in whom one has confidence" (Moorman et al., 1993). Trust is an important component in establishing and maintaining successful inter organizational systems" (Meier, 1995, p. 145).
2. **Commitment** is another important determinant of marketing relationship strength and useful construct for measuring customer loyalty likelihood and predicting future purchase frequency (Gundlach et al., 1995).

3. **Social Bonding** - bonding is defined as the dimension of a business relationship between parties acting in a unified manner toward a desired goal. Various bonds exist between parties and indicate different levels of relationships (Callaghan et al., 1995). Bonding controls social and business behavior in society, and may remove doubt, creates trust and forms close relationships (Hinde, 1997).
4. **Communication** is a vital component in business relationships establishment (Andersen, 2001). Communication is important in marketing relationships; it plays a central role in providing an understanding of the exchange partner's intentions and capabilities, thus forming groundwork for building trust among exchange partners.

It is argued that corporate image is what comes to mind when travelers hear the name of a place, a hotel or a restaurant (Nguyen, 2006). Customers tend to deal with organizations that have images consistent with their own self images. (Schiffman & Kanuk, 1997). It is related to business name, architecture, variety of products/services, tradition, ideology, and to the impression of quality communicated by each person interacting with the organization's clients (Nguyen, 2006). Meanwhile, corporate image may be considered as a function of the accumulation of purchasing/consumption experience over time. (Andreassen and Lindestad, 1998)

2.5 The three parts to CRM

1. **Technology:** In a sense, the technology part of CRM – the database - largely equates to the information that was previously stored 'in the heads' of Managers of small businesses. But good customer relationships are about far more than that.
2. **Processes:** processes or key steps have to be put into place to make sure that such data is used effectively. In fact it is the processes that hold the whole thing together.
3. **People:** The people involved in any way with the customer have to be aware of those processes and preferably believe in those processes so that a seamless service can be delivered to the customer.

2.6 The components of CRM

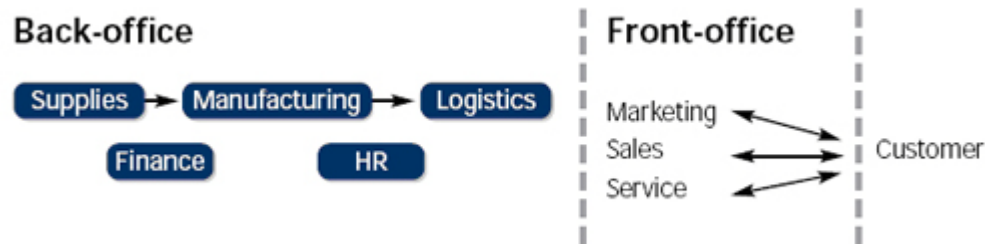
“The central component of a CRM solution is generally the creation of a single shared customer database – allowing information to be collected once but used many times. The sharing of this customer data across the authority, in conjunction with the functional tools provided by a CRM solution, allows the authority to make gains in both efficiency and effectiveness.”

National Project Guide (2004)

A unified view of the customer

The advantages of a unified view of the customer, compared with the more traditional approach are also illustrated in the following diagram from Rodgers and Howlett (2000).

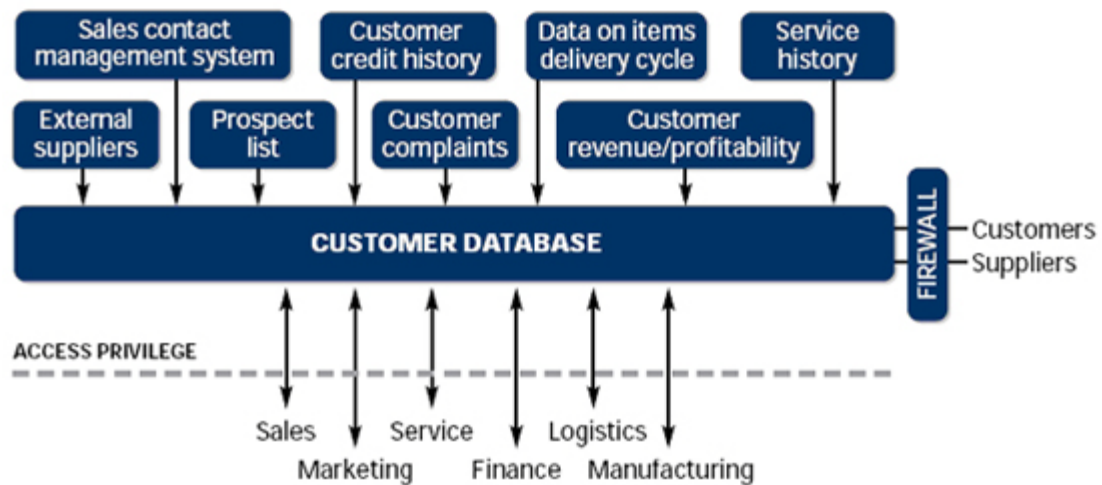
1. Traditional structure



Characteristics

- Silo of information
- Different views of customer, even in front office
- Limited communication among departments
- No transparency through supply chain

2. Unified view of the customer



Characteristics:

- Departments linked around same data can be tied to marketing campaigns
- Visibility across enterprise
- Better customer service
- More effective front- and back-office operations

2.7 CRM and industries

1. The Banking Industry

Banks are a long way along the CRM route, recognizing the need to target customers effectively and to identify the value of particular customers and the investment needed to gain their loyalty.

They use **technology**:

- To collate accurate, up-to-date information on customers
- To target products and services to coincide with the life-stages of customers.
- To provide greater customer access to products and services (24-hour banking)

They need effective **processes**:

- To ensure transactions are safe
- To reassure customers that their transactions are safe
- To consolidate multiple records for individual customers
- To alleviate distress when errors do occur

Case study: CRM usage in the banking industry

2. The Airline Industry

The airline industry is extremely competitive and while safety record, image, price and flight convenience are undoubtedly influences on passenger behavior, it is service that is the real differentiator (Enterprise Information, 2005).

The airline industry uses **technology**:

- To allow customers to find out travel information such as flight availability and cost of flight.
- To allow customers to book flights online
- To allow customers to check-in online at any time and from anywhere.
- To collect information about individual customers preferences and buying behavior
- To identify profitable customers
- To build loyalty by rewarding profitable customers
- To increase sales

The **processes** that allow the airlines to implement all of this are only apparent to the customer when technology fails! The **people** element may become apparent when the **technology** and the **processes** fail! So, for example, when Terminal 5 failed, blame was placed on:

- Technical errors (technology)
- Mechanical failures (technology)
- Lack of system testing (processes)
- Poor communication (processes)
- Complacency (people)
- Refusal to listen (people)
- Lack of training (process)
- Inadequate contingency plans (process)

Case study: CRM usage in the airline industry

3. *The Hotel Industry*

Customer service has always been a high priority for the hotel industry.

The hotel industry uses **technology**:

- Develop sophisticated websites that allow potential customers to view their facilities
- To enable online booking
- To collect information about individual customer's preferences
- To use the data they have collected to offer loyalty packages to profitable customers.

Processes have to be in place to ensure that all staff from manager to receptionist, from kitchen staff to cleaner all has the necessary training and information to provide a seamless, consistent and individualized service to their customers.

The **people** element becomes apparent when individual members of staff fail to show commitment to the processes designed.

Commitment can be encouraged by other processes that enable staff to feel valued and rewarded.

This is less easy to overcome, however, when there is a conflict of interest, as can occur between franchiser, Management Company and owner of hotel.

Case study: CRM usage in the hotel industry

2.8 The Customer Relationship Management Frameworks/Models

A various range of comprehensive Customer Relationship Management CRM models have been developed. I introduce seven of them in this chapter.

1. THE IDIC Model

The IDIC Model has been developed by Peppers and Rogers (2004) According to IDIC model, companies should take four actions in order to build closer one-to-one relationships with customers, i.e. identifying, differentiating, interacting, and customizing:

- **Identifying** who the companies' customers are and building a deep understanding of them.
- **Differentiating** their customers in order to identify which amongst them have most value now and which offer most for the future.
- **Interacting** with them in order to ensure that companies understand customer expectations and their relationships with other suppliers or brands.
- **Customizing** the offer and communications to ensure that the expectations of customers are met.

2. The Quality Competitiveness Index Model (QCI)

QCI are independent specialists who assist blue chip companies in managing customers. They are both strategic theorist and foremost practitioners (Hewson et al, 2002). The model is described as a customer management model, omitting thereby the word "relationship". At the centre of the model, they highlight a range of activities needed by companies to perform in perspective to acquire and retain customers. This model also features people performing processes and utilizing technology to assist in those activities.

3. The Customer Relationship Management CRM Value Chain Model

The CRM value chain is a model which businesses can follow when developing their CRM strategies (Buttle, 2004). This model had been developed by a range of SMEs such as IT, software, telecoms, financial services, retail, media, manufacturing, and construction. This model is built from strong theoretical principles and the practical requirements of business.

The main purpose of this model is, according to Buttle (2004), to ensure that the company builds long-term mutually-beneficial relationships with its strategically-significant customers. Thus, some customers are merely expensive to acquire and service.

4. The Payne's Five Forces Model

This is a comprehensive model developed by Adrian Payne. The model identifies five core processes in Customer Relationship Management CRM such as the strategy development process, the value creation process, the multichannel integration process, the performance assessment process and the information management process. They can be grouped into strategic CRM, operational Customer Relationship Management CRM and analytical CRM.

5. The Dasai et al /Conceptual Model

The conceptual framework was developed by Dasai et al (2007) in which consideration is driven towards competitive CRM performance from both internal and external perspectives. The dynamic capability for CRM is the key source for competitive CRM performance considering the rapidly changing nature of the business environment today which erodes the values of existing competencies

6. The Forrester Model

The Forrester CRM model is grouped into four types such as: Strategy; Process, Technology; and People. The model produced results in the findings on over hundreds of companies using CRM as strategically, thorough analysis of over number of vendors' solutions providers and also with discussion with about numerous consultants. For firms willing to kick-start their CRM programs or for those that are finding it tough to get best out of their CRM programs after it has been launched. Also, the performance scorecard highlights the criteria used by companies to measure the overall performance using CRM. *Forrester CRM Model (from Forrester Research, 2008)*

7. The Maturity Model

Gartner's CRM Maturity Model is a tool in which the group used in rating enterprises in terms of their capabilities in effectively using CRM. To determine the category in which an enterprise is placed on the model, they are first evaluated in terms of Overall CRM vision and strategy, consistent valued-customer experience, organizational collaboration, processes, information, technology, metrics.

2.9 Satisfaction and Attitude

Consumer decision about marketing organizations is to be guided by customer satisfaction, perceived service quality, perceived value, trust and commitment. These evaluations are believed to

summarize consumers' knowledge and experiences with a particular firm. Overall satisfaction is an overall evaluation of a customer based on total purchase and consumption experience with service or a good over time. Trust is generally viewed as a subject for a successful relationship. It is confidence in the exchange partner's reliability and integrity. Research indicates that the psychological benefit of trust and confidence are more important than social benefits or special treatment in relationship management. Commitment is believed to be an important ingredient for a successful relationship. According to Garbarino and Johnson (1999) commitment has three components: First; an instrumental component that is a form of investment, second; an attitudinal component described as effective or psychological commitment and last; a temporal dimension which indicates that the relationship exists over time. They also argue that there is a strong statistical relationship among overall satisfaction, perceived service quality and perceived value.

According to business marketing literatures satisfaction is an important but not a necessary condition for a party to be committed to the relationship. In some cases, a customer continues the relationship not because he/she satisfied but the quality of the available alternatives so bad. Ganesan (1994) argues that satisfaction directly relates to a party's relationship commitment. Halinen (1996) and LaBahn and Kohli (1997) examined the impact of satisfaction on commitment and they found that satisfaction related to customers' relationship commitment. On the other hand, Morgan and Hunt (1994) argue that satisfaction doesn't contribute significantly to a party's commitment in relationship with structural ties, trust and shared values.

According to Romano (2000), companies should explore and refine CRM knowledge management to have value-added knowledge for themselves and their customers, and understand attitudes and preferences along with customer purchasing patterns and trends. Level of customer service, customer-related knowledge and customer satisfaction are especially regarded as significant in retaining the competitive advantage of a firm (Stefanou and Sarmaniotis, 2003).

2.10 Service Quality and Customer Retention

Service quality is considered to be a critical success factor for the service industry, just like hotels, because; first, it has service differentiation and competitive advantage to attract new customers as well as contribute to market share and second, it is viewed as a factor for customer retention. Service quality has an effect on the potential start of a relationship. Since it has a positive effect on customers' repurchase intentions, it leads to more interactions. Service excellence enhances customers' preference to buy more, to buy again, become less price sensitive and to look for other services (Venetis and Ghauri, 2004). Different kinds of relationships was identified by Jackson (1985) ranging from transactional relationships to relational exchange relationship. For transactional relationship, a customer's first priority is price. He/she also uses multiple sources of supply and switches suppliers frequently over time. Exchange relationship occurs when a buyer and a supplier develop a long-term relationship. Even though the relationships are more than a plain sequence of transactions over time can be illustrated relationships in service markets they don't mean that a "real" relationship is created (Dywer, Schurr and Oh, 1987). According to Sharma (1994) and Yorke (1990) relationships go through several stages before they can be called a long-term relationship.

They emphasize that each stage of relationship are different processes and the degree of relationship commitment between partners characterizes the last stage.

Hotels which offer good service quality improve their market share and profitability. Because the hotel industry is highly competitive, hoteliers should find ways to make their products and services stand out among the other hotels. To accomplish this goal they must understand their customers' needs and then make sure that their service is directed toward meeting these needs (Nadiri and Hussain, 2005).

Because of increased importance in the service sector, quality is defined from a customer's perspective. The widely used definition of service quality is to meet customers' expectation which is identified by Parasuraman et al. (1985). In their review of service quality, they developed an instrument called SERVQUAL to measure service quality. That instrument is based on a gap model which suggests that the gap between customers' expectations and their perception of performance make the perception of service quality (Juwaheer, 2004). According to Cronin and Taylor (1994) performance-only (SERVPERF) explains more of the variance in overall service quality than SERVQUAL instrument. In Nadiri and Hussain's research, they wanted to find the perceived service quality of European customer to determine the customer satisfaction level in North Cyprus hotels. For their research, they had SERVQUAL as a measurement of service quality which based on the difference between the customer's expectations of the service quality and his or her perception of service quality and they had SERVPERF as a performance-only measurement of service quality (Zhou, 2004). Their research explored that the SERVPERF scale successfully maintains its reliability.

Long-term customer retention and long-term relationships with customers bring so many benefits. The most important one is the increased effectiveness between parties.

Therefore better quality can be delivered at lower transaction cost. Service quality not only affects subsequent service transactions, but also enhances the building and maintenance of long-term customer relationships (Rust and Zahoric, 1993).

2.11 What is Importance and Performance (I-P) Analysis?

Importance and performance analysis was introduced by Martilla and James in the 1970s. This analysis helps firms to decide which aspects of the marketing mix they should pay more attention to or which marketing mix for which they shouldn't consume too many resources. For the analysis, the I-P matrix is divided into four quadrants to distinguish between high and low performance and between high and low importance. If a firm's performance is high for the important variables, they "keep up the good work" according to I-P analysis. If that firm has high performance for no important variables it indicates "possible overkill" for those areas (Weber, 2000). The most critical quadrant for firms are "concentrate here" which means importance is higher than performance for some variables. Marketers shouldn't worry about "low priority" because both performance and importance are low for this quadrant (Martilla and John, 1977).

To examine meeting planners' perception of the performance of three hotel chains Weber (2000) used I-P analysis. This study explored that meeting planners rated certain hotel practices more

important than the hotels' physical attributes. Her findings about the strength and the weaknesses of Hyatt, Marriott and Hilton can help those hotels to have marketing strategies with regard to their strengths and their weaknesses.

Another study has been done to find how a car dealer can increase their loyal service customers by 50%. Service and sales department personnel and factory representatives identified 14 attributes which are important for service departments.

Respondents were asked two questions about those 14 variables. First, they were asked to rate how important that variable is; second, they were asked to rate how well the dealer performed about that variable. By doing I-P analysis they found the strengths and the weaknesses of the dealership performance (Martilla and John, 1977).

2.12 Previous studies on CRM

Tony and Tracey (2007) study aimed to examine whether the relationship characteristics of length and duration, the customer demographic characteristics of age and gender and relationship attribute importance, as perceived by the customer, impact on the strength of the relationship between the customer and service provider. The study used a field survey where 287 questionnaires were distributed to the customers' of five star service products. The sample was asked to assess the strength of the relationship between themselves and their supplier. The study found that there was relationship strength found to vary significantly between service products and individual customers, and the impact of duration of the relationship and the frequency of purchase on relationship strength depends greatly on the nature of the service product. It was also demonstrated that some customers want a closer relationship with service providers than other customers, and this aspect significantly affects the strength of relationship perceived by the customer.

Helgesen (2007) study aimed to identify the most influential drivers of customer satisfaction. The data source is a market survey. Items measuring customer satisfaction as well as importance and performance (satisfaction) of drivers of customer satisfaction have been included in a questionnaire answered by 128 customers from approximately 25 countries. The study found that prices have not been identified as satisfiers; however, according to the item-based importance-performance grid, competitive prices are important and can perhaps be perceived as "hygiene", focusing more on what is important for customer loyalty. Arturo et al (2007) study, aimed to investigate the impact of relational benefits on customer satisfaction in retail banking. The study was conducted using a sample of 204 bank customers; multi-item indicators from prior studies were employed to measure the constructs of interest. The study concluded that confidence benefits have a direct, positive effect on the satisfaction of customers with their bank. Special treatment benefits and social benefits did not have any significant effects on satisfaction in a retail banking environment.

Based on these several contributions, it can be inferred that CRM concept is very vast and researchers have defined it in different ways. Researchers emphasized on various issues but especially on satisfaction and retention of customers. Furthermore, it can also be inferred that CRM leads to the loyalty of customers and that will ultimately result in the retention of the customers for a long time.

2.13 Research Findings of CRM

The Data Warehousing Institute (TDWI) had a survey of more than 15,000 companies in 2000 and found that 91 percent of those companies either have CRM or plan to deploy a CRM solution for the future (Goodhue, Wixom, and Watson, 2002).

According to Goodhue, Wixom, and Watson (2002), there are three important CRM targets: first, applications- which are an individual CRM application helping to deliver business value, second, infrastructure-data, hardware and software which supports CRM applications, third, transformation that are made possible through comprehensive CRM efforts. They also believe that companies should have a clear vision about CRM targets and they should understand and address the issues associated with them. This is really a critical issue for the companies because the TDWI survey also found that 41 percent of these companies with CRM projects are having problems and some of them are even getting closer to failure.

Dull (2001) surveyed 500 executive managers from over 250 companies in six industries and identified three important CRM capabilities which result in the highest return on sales. Those are: first, giving customer service; second, converting information into insight; and third, motivating and rewarding people.

Research indicates that one reason CRM fails is that most executives simply don't understand what they are implementing, how much it costs or how long it will take.

There are four important factors which companies should be aware of when they implement a CRM.

First, they should create a customer strategy before they implement

CRM; second, they should create a customer-focused organization before they install

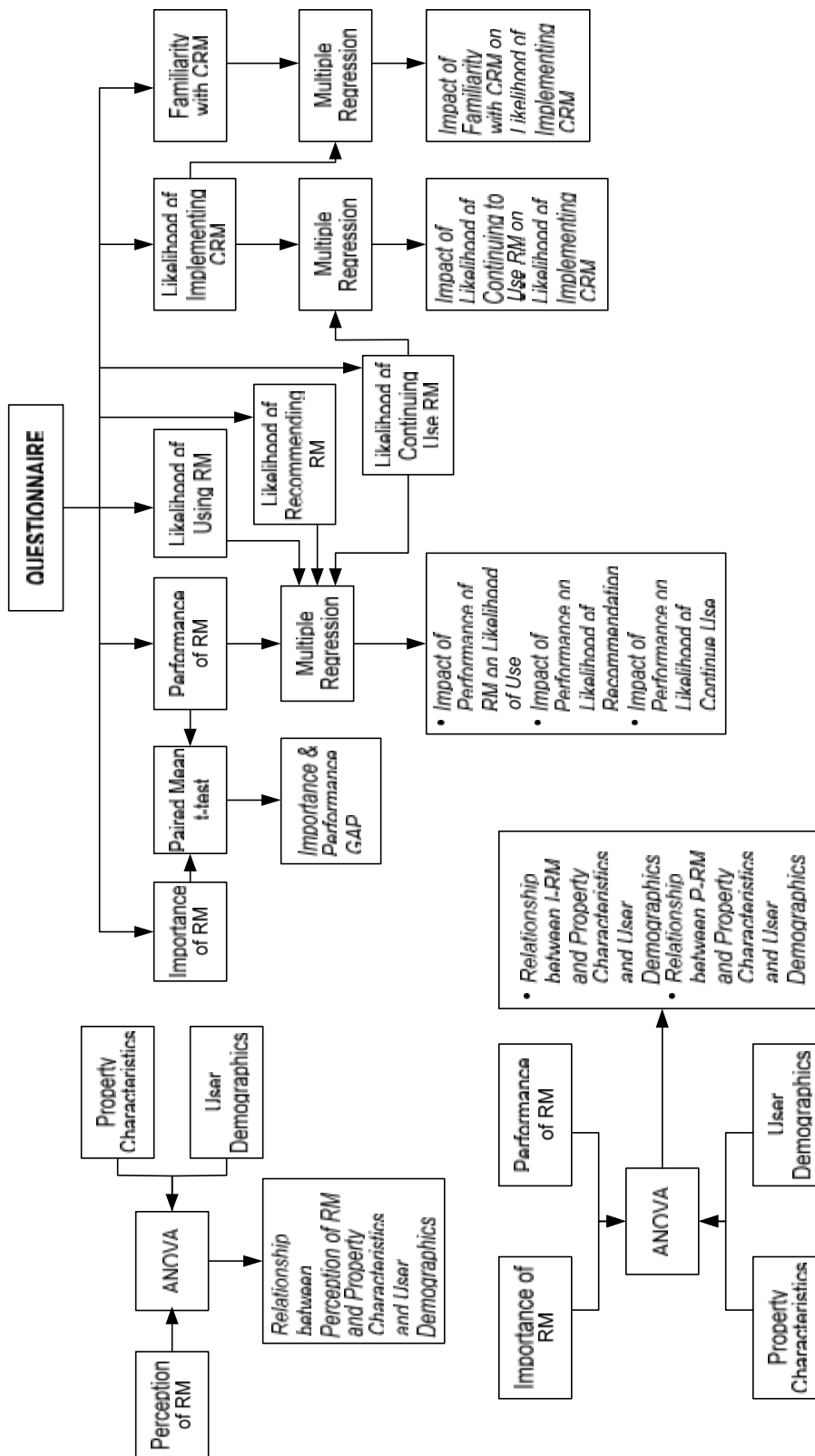
CRM; third, they can manage customer relationships in many ways and the objectives of

CRM can be fulfilled without huge investments in technology; last, companies should not stalk their customers and they should avoid wooing their customers. There is a hope for unsuccessful CRM implementations, because companies can usually recover from their failures with their second or third attempts at implementing CRM. A successful CRM depends more on strategy than on the amount companies spend on technology. A good strategy results in a competitive advantage and superior performance. The only way companies can make CRM work is by helping employees to understand their customer strategy before they implement the technology. They also should effectively lead and manage change by showing CRM support teams how to accomplish their goals through new processes (Rigby, Reichheld, and Schefter, 2002).

Lin and Su (2003) had a research which performed a field study to explore how high quality hotel enterprises in Taiwan can improve the relationship between themselves and their customers. There were 19 responses from the 19 highest quality hotel enterprises. The findings from this study were interesting. First, only 68% of the respondents had done well collecting customer knowledge. Second, most of the respondents had a large proportion for customer-connective technologies. Third, the respondents demonstrated that they understood the distribution of the customer relationship value. The strategic opportunities for high quality hotel enterprises hotels in Taiwan to leverage customer knowledge and to create value for customers may be used for further quality improvement

and enhancement of customer satisfaction (Lin and Su, 2003).

According the survey conducted by CRMGURU.com and Florida State University in 2001, 29% of 805 respondents are using CRM solutions. The rest of the sample is implementing, developing, selecting or researching progress. Respondents' companies in the initial stages of CRM implementation state that their systems are more customers driven than those who have a current CRM solution.



Graph-1: Research framework (Nevbahar H, 1995)

CHAPTER-THREE

3. Research Design and Methodology

3.1 Research Design

The design of the research was descriptive and quantitative in nature.

The research was based in terms of designing a questionnaire which was addressed the managers of four star hotels of Addis Ababa. In order to increase the response rate and explain some important points in the questionnaire I personally distributed the questionnaires.

3.2 Sample and Sampling Techniques

Four star hotels of Addis Ababa were the target population. The total numbers of four star hotels in the city were 30. 4 managers were contacted from each 15 hotels included under my investigation. The total numbers of managers contacted in this study were 60. Convenience sampling was employed to select representatives from the target population.

3.3 Source and Tools/ Instruments of Data collection

There are two types of data collection, primary data and secondary data. Both primary and secondary data were used in this study, as follows:

3.3.1 Primary data

A questionnaire was used for collecting primary data from the target population.

The survey questionnaire was accompanied with a cover letter explaining the purpose of the research. The questionnaire was consisted of six sections.

The first section was to assess the hotel managers' demographic profile such as age, gender and education level

The second section included organization related questions such as: what is their position in the hotel and for how long they held that position; and property information questions such as: number of rooms in the property and affiliation of the property.

The third section asked about hotel managers' perception towards relationship marketing. A 5 point Likert-type scale was used ranging from (1) strongly disagree to (5) strongly agree to measure their perception toward CRM.

In the fourth section, it assessed hotel managers' perception toward importance of CRM and their perception toward performance of CRM. Two sets 5 point Likert-type scales were used ranging from (1) not important at all to (5) extremely important and (1) not high at all to (5) extremely high to measure importance and performance of CRM.

The fifth section was to find out hotel managers' overall satisfaction level towards CRM and their likelihood of using CRM, recommending CRM and continuing use of CRM. Two sets 5 point Likert-type scales were used ranging from (1) very dissatisfied to (5) very satisfied to measure hotel managers' overall satisfaction level towards CRM, and ranging from (1) very

unlikely to (5) very likely to measure their likelihood of using CRM, likelihood of recommending CRM and likelihood of continuing use of CRM.

The last section was to identify hotel managers' familiarity with customer relationship management and their likelihood of implementing CRM in the future. Two sets 5 point Likert-type scales were used ranging from (1) not familiar to (5) very familiar to measure hotel managers' familiarity with CRM and (1) very unlikely to (5) very likely to measure hotel managers' likelihood of implementing CRM.

3.3.2 Secondary data

Secondary data include both quantitative and qualitative data can be used in descriptive and explanatory as well. In this study secondary data was collected from various resources such as: books, journals, newspapers, and internet. The main advantage of secondary data is saving time and money since it is much less expensive to use secondary data than to collect the same.

3.4 Procedures of Data Collection

A self-administration questionnaire was developed based on the statement of the problem, reviewed literatures and previous studies from various references, which deal with the research topic. The data was collected through a structured-undisguised questionnaire survey and CRM attributes were derived from literatures published. The questionnaire was structured in six section (please refer 3.3.1). Once the questionnaire is developed a pilot testing was made before forwarding to the target population. The final questionnaires were distributed to the target population by me in order to increase the response rate and explain some important points in person if any.

3.5 Methods of Data Analysis

To analyze the collected data Statistical Package for Social Sciences (SPSS) software was used. Descriptive statistics (Mean, Median, Correlation coefficient, etc...), frequency, Importance-Performance Analysis (IPA), Analysis of Variance (ANOVA), and Multiple Linear Regression Analysis were used as a supporting tool to analyze the data.

Descriptive Statistics: Descriptive statistics such as mean, standard deviation and mode were used in this study except for the multiple regression analysis. The hotel managers' characteristics (position in hotel and working years for present hotel) and the hotels' characteristics (hotels' management pattern and hotels' room numbers) were organized into categories. This information was tabulated by using frequency and percentage. The hotel managers' demographic profile (gender, age and education level) was also organized into categories and tabulated by using frequency and percentage. To describe satisfaction with relationship marketing, likelihood of using, recommending, continuing use relationship marketing, and familiarity with customer relationship management and likelihood of implementing customer relationship management; means and standard deviation were calculated for each variable. Means and standard deviation were also calculated to describe managers' perception towards RM.

Analysis of variance (ANOVA): Analysis of variance (ANOVA) was used to find if there was a significant relationship between two or more variables.

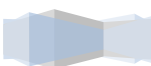
Multiple Regression Analysis: In this study, the regression model was estimated for meeting the assumptions of regression analysis then the observations were examined to determine whether any observation should be deemed influential.

R Square (R^2): It is the correlation coefficient squared, referred to as the coefficient of determination. This value indicates the percentage of total variation of the dependent variable (Y) explained by independent variables (X_1, X_2, X_n).

Standard Error of Estimate: It represents an estimate of the standard deviation of the actual dependent values around the regression line. A smaller standard error implies more reliable prediction.

Regression Coefficient: It is the value calculated from standardized data. The value allows comparing the effect on Y of each independent variable to the overall regression model.

Standard Error of Coefficient: It is an estimate of how much regression coefficient varies between samples of the same size taken from the same population.



CHAPTER-FOUR

4. RESULT AND DISCUSSION

The aim of this study was to analyze the perception of managers toward CRM for four star hotels in Addis Ababa. 60 managers were reached and 45 surveys were returned. All the returned surveys were usable. The response rate for the research was 75%.

4.1 The demographic profiles of the hotel managers

The demographic profile of the hotel managers is shown on the below table.

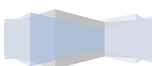
Table-1: Hotel managers' demographic profile

Respondent gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	34	75.6	75.6	75.6
	Female	11	24.4	24.4	100.0
	Total	45	100.0	100.0	
Respondent age					
Valid	Less than 25	1	2.2	2.2	2.2
	25 to 35	37	82.2	82.2	84.4
	36 to 45	6	13.3	13.3	97.8
	56 to 65	1	2.2	2.2	100.0
	Total	45	100.0	100.0	
Education level of the respondent					
Valid	College diploma	7	15.6	15.6	15.6
	Bachelor	35	77.8	77.8	93.3
	Post graduate	3	6.7	6.7	100.0
	Total	45	100.0	100.0	

Source: own survey result

According to the above table the survey result showed 75.6% of the respondents were male and only 24.4% were females. In terms of age 2.2% of managers were less than 25 years, 82.2 % of managers were in the range of 25 to 35 years, 13.3% of managers were in the 36-45 age group, 2.2% of managers were in the rage of 56 to 65 years, and none of the managers were above 66 years of age.

In terms of managers' educational background, none of the managers were graduated from high school, 15.6% of managers graduated from some college. The majority of managers 77.8% held bachelor and only 6.7% of managers have post graduate degrees.



4.2 The Hotel Managers' and the Hotels' Characteristics

The hotel managers' and hotels' characteristics are presented in the following table.

Table-2:Hotel managers' and Hotels' characteristics

Managers' position in the hotel		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	General manager	4	8.9	8.9	8.9
	Marketing manager	5	11.1	11.1	20.0
	Front office manager	7	15.6	15.6	35.6
	F&B manager	6	13.3	13.3	48.9
	Others	23	51.1	51.1	100.0
Total		45	100.0	100.0	
How long held the position					
Valid	under 1 year	16	35.6	35.6	35.6
	1 to 2 years	8	17.8	17.8	53.3
	2 to 3 years	5	11.1	11.1	64.4
	above 3 years	16	35.6	35.6	100.0
	Total	45	100.0	100.0	
How long Worked in the present hotel					
Valid	under one year	16	35.6	35.6	35.6
	1 to 2 years	12	26.7	26.7	62.2
	2 to 3 years	5	11.1	11.1	73.3
	3 years and above	12	26.7	26.7	100.0
	Total	45	100.0	100.0	
The hotel management pattern					
Valid	Independent	40	88.9	88.9	88.9
	Other	5	11.1	11.1	100.0
	Total	45	100.0	100.0	
Number of rooms in hotel					
Valid	26 to 50 rooms	1	2.2	2.2	2.2
	51 to 99 rooms	14	31.1	31.1	33.3
	100 to 149 rooms	22	48.9	48.9	82.2
	150 to 199 rooms	8	17.8	17.8	100.0
	Total	45	100.0	100.0	

Source: own survey result

According to the survey result listed in table-2; In terms of position held in the hotel 8.9% of managers were General Managers, 11.1% of managers were marketing, 15.6% of managers were Front office managers, 13.3% of managers were F&B managers while the remaining 51.1% of managers were from other departments like Finance manager, human resource manager, reservation manager, housekeeping manager and Duty managers.

In terms of the number of years holding the current position 35.6% of managers held the position under 1 year, 17.8% of managers held the position 1 to 2 years, 11.1% of managers held the position 2 to 3 years while 35.6% of the managers held the position above 3 years. This means the majority of managers held the position for under 1 year and above 3 years.

In terms of years of experience in the current organization; the majority of the managers 35.6% were working for the present hotel under 1 year followed by 1 to 2 years, 3 years and above and 2 to 3 years which is in terms of percentage 26.7%, 26.7% and 11.1% respectively.

According to the hotels’ management pattern the majority of the hotels 88.9% were independently managed hotels. The remaining 11.1% of the hotels managed by others like management contract.

In terms of hotels’ room numbers, 2.2% of hotels had 26-50 rooms. 31.1% of hotels had 51-99 rooms, 48.9% of hotels had 100-149 rooms and 17.84% hotels had above 150-199 rooms.

4.3 The managers’ perception towards CRM

The mean score of the hotel managers’ perceptions toward relationship marketing are listed in the table-3.

Table-3: Managers’ perception toward CRM

	Customer trust and commitment enhance business relationships	It is important to form close relationships with customers	Close relationship with customers bring about improved competitive advantage	Forming long term relationships with customers is highly valued	Relationship marketing has potential to provide significant benefits for the hotel	Relationship marketing can improve the efficiency of the marketing processes in the hotel	Forming partner style relationships is too much work with little return
Valid	45	45	45	45	45	45	45
Missing	0	0	0	0	0	0	0
Mean	4.73	4.64	4.53	4.82	4.49	4.36	2.73

Source: own survey result

According to the finding, the mean scores for the first six statements were over 4.50. In other words, the hotel managers were strongly agree that; “customer trust and commitment enhances business relationships” (4.73), “it is important to form close relationships with customers” (4.64), “close relationships with customers bring about improved competitive advantage” (4.53), “forming long-term relationships with customers is highly valued” (4.82), “relationship marketing can improve the efficiency of the marketing processes in the hotel” (4.36) and “relationship marketing has potential to provide significant benefits for the hotel” (4.49). “Forming partner style relationships is too much work with little return” 2.73 which is in the range of agree and neither disagrees nor agrees.

The overall mean with the level of agreement of the hotel managers’ perceptions toward CRM was 4.32. In the other words, they had positive perception towards CRM. The overall mean result of similar study (Nevbahar H, 1995) showed 4.24 which is almost similar with the result of this study.



4.4 The familiarity with CRM and likelihood of implementing CRM

The mean scores of the “familiarity with customer relationship management” and “likelihood of implementing customer relationship management” are listed below in table-5.

Table-4: **Familiarity with CRM and possibility of implementing CRM**

		How familiar are you with CRM	Please indicate the level of possibility of implementing CRM at your hotel
N	Valid	45	45
	Missing	0	0
Mean		4.09	4.40

Source: own survey result

A 5 point Likert-type scale was used ranging from (1) not familiar to (5) very familiar to measure the hotel managers’ “familiarity with customer relationship management”.

According to the findings the mean values of the hotel managers’ familiarity with CRM were (4.09). This means the managers were familiar with CRM.

A 5 point Likert-type scale was used ranging from (1) very unlikely to (5) very likely to measure the hotel managers’ “likelihood of implementing customer relationship management”. Findings showed that, they were likely to implement CRM for the future (4.40). This implies there is a positive relationship between familiarity and possibility of implementing CRM; In other words, when familiarity with CRM increase possibility of implementing CRM also increases.

However the result of previous study (Nevbahar H, 1995) showed inverse relationship. This means when familiarity decrease possibility of implementing CRM increases with a mean value of 3.22 and 4.15 respectively.



4.5 Satisfaction with CRM and probability of using, recommending and continuing use of CRM

The following table has the means of “satisfaction level with CRM” and “likelihood of using, recommending and continuing use of CRM”.

Table-5: Satisfaction with CRM, likely use of CRM, likely recommending CRM and likely continue use of CRM

		What is your level of satisfaction toward CRM	How likely would you use CRM	How likely would you recommend CRM for other hotel managers	How likely would you continue to use CRM
N	Valid	45	45	45	45
	Missing	0	0	0	0
Mean		4.42	3.93	4.64	4.76

Source: own survey result

The mean score of the managers’ satisfaction level with CRM was 4.42. That score showed that they are satisfied with CRM. The mean of the managers’ likelihood of using CRM, likelihood of recommending CRM and likelihood of continuing use of CRM. According to the findings “likelihood of using CRM” had the mean score of 3.93, meaning that the managers were almost very likely to use CRM. “Likelihood of recommending CRM” had the mean score of 4.64 which shows the managers were likely to recommend CRM to others. “Likelihood of continuing use of CRM” had the mean score of 4.76. In other words, they were almost very likely to continue to use CRM.

The mean score of similar previous study (Nevbahar H, 1995) showed that 3.85, 4.35, 3.89, 4.3 respectively. According to the results the respondent of this study are better satisfied with CRM and likely to use CRM. However; when we see the result of the previous study inverse result is obtained which mean they are less satisfied but more likely to use CRM. The result also indicated that the respondents of this study are more likely to recommend CRM than the previous study with a mean score of 4.64.

Though the mean value of all showed a positive result logically speaking the mean value of using CRM was supposed to exceed the mean value of recommending and continue to use CRM. However the study result showed the reverse. On the contrary, the previous study showed logical result.



Hypothesis-1

Ho1: There is no significant relationship between hotel managers’ perception towards CRM, importance and performance of CRM and their demographics (e.g., age, education level, gender);

Ha1: There is significant relationship between hotel managers’ perception towards CRM, importance and performance of CRM and their demographics (e.g., age, education level, gender);

4.6 The relationship between hotel managers’ perception towards CRM, importance and performance of CRM and their demographics:

4.6.1 The relationship between the managers’ perception towards CRM and their demographics

4.6.1.1 The relationship between the managers’ perception towards CRM and their gender

ANOVA was used to investigate whether the managers differed significantly in terms of their perception towards CRM and their gender. Table-6 shows that (the sig. of all attributes > 0.05), this means there was no statistically significant relationship between the hotel managers’ gender and their perception towards CRM. Therefore, gender didn’t have relationship with perception towards CRM

Table-6: Managers’ perception towards CRM and their gender

		Sum of Squares	df	Mean Square	F	Sig.
Customer trust and commitment enhance business relationships	Between Groups	.514	1	.514	1.089	.302
	Within Groups	20.286	43	.472		
	Total	20.800	44			
It is important to form close relationships with customers	Between Groups	.439	1	.439	1.191	.281
	Within Groups	15.872	43	.369		
	Total	16.311	44			
Close relationship with customers bring about improved competitive advantage	Between Groups	.002	1	.002	.004	.948
	Within Groups	21.198	43	.493		
	Total	21.200	44			
Forming long term relationships with customers is highly valued	Between Groups	.131	1	.131	.875	.355
	Within Groups	6.447	43	.150		
	Total	6.578	44			
Forming partner style relationships is too much work with little return	Between Groups	1.861	1	1.861	1.358	.250
	Within Groups	58.939	43	1.371		
	Total	60.800	44			
Relationship marketing can improve the efficiency of the marketing processes in the hotel	Between Groups	.100	1	.100	.177	.676
	Within Groups	24.211	43	.563		
	Total	24.311	44			
Relationship marketing has potential to provide significant benefits for the hotel	Between Groups	.047	1	.047	.152	.699
	Within Groups	13.198	43	.307		
	Total	13.244	44			

Source: own survey result



4.6.1.2 The relationship between the managers' perception towards CRM and their age

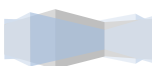
ANOVA was used to explore whether the managers differed significantly in terms of their perception towards CRM and their age. The relationship between managers' perception towards CRM and their age are listed in the table-7.

According to the finding presented in table-7 (the sig. all statements were > 0.05), this means there was no statistically significant relationship between the hotel managers' age and their perception towards CRM. Therefore, age didn't have relationship with perception towards CRM.

Table-7: Managers' perception towards CRM and their age

		Sum of Squares	df	Mean Square	F	Sig.
Customer trust and commitment enhance business relationships	Between Groups	.692	3	.231	.470	.705
	Within Groups	20.108	41	.490		
	Total	20.800	44			
It is important to form close relationships with customers	Between Groups	.545	3	.182	.473	.703
	Within Groups	15.766	41	.385		
	Total	16.311	44			
Close relationship with customers bring about improved competitive advantage	Between Groups	.623	3	.208	.414	.744
	Within Groups	20.577	41	.502		
	Total	21.200	44			
Forming long term relationships with customers is highly valued	Between Groups	.902	3	.301	2.172	.106
	Within Groups	5.676	41	.138		
	Total	6.578	44			
Forming partner style relationships is too much work with little return	Between Groups	9.210	3	3.070	2.440	.078
	Within Groups	51.590	41	1.258		
	Total	60.800	44			
Relationship marketing can improve the efficiency of the marketing processes in the hotel	Between Groups	1.392	3	.464	.830	.485
	Within Groups	22.919	41	.559		
	Total	24.311	44			
Relationship marketing has potential to provide significant benefits for the hotel	Between Groups	.668	3	.223	.726	.542
	Within Groups	12.577	41	.307		
	Total	13.244	44			

Source: own survey result



4.6.1.3 The relationship between the managers' perception towards CRM and their education level

ANOVA was used to assess whether the managers differed significantly in terms of their perception towards CRM and their education level. The relationship between managers' perception towards CRM and their education level are listed in table-8. The table shows that, there was no statistically significant difference between the hotel managers' education level and their perception towards CRM (sig > 0.05 for all). This is because the respondents were homogeneous education level; in other words all the respondents had college diploma and above. However; when we look at the result of the previous study (Nevbahar H, 1995) showed the managers differed significantly in terms of their perception towards customer relationship management and their education level.

Table-8: Managers' perception towards CRM and their education level

Dependent Variable	(I) Education level of the respondent	(J) Education level of the respondent	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Customer trust and commitment enhance business relationships	College diploma	Bachelor	-.543	.279	.139	-1.22	.13
		Post graduate	-.381	.465	.693	-1.51	.75
	Bachelor	College diploma	.543	.279	.139	-.13	1.22
		Post graduate	.162	.405	.916	-.82	1.15
	Post graduate	College diploma	.381	.465	.693	-.75	1.51
		Bachelor	-.162	.405	.916	-1.15	.82
It is important to form close relationships with customers	College diploma	Bachelor	.086	.258	.941	-.54	.71
		Post graduate	.048	.429	.993	-1.00	1.09
	Bachelor	College diploma	-.086	.258	.941	-.71	.54
		Post graduate	-.038	.374	.994	-.95	.87
	Post graduate	College diploma	-.048	.429	.993	-1.09	1.00
		Bachelor	.038	.374	.994	-.87	.95
Close relationship with customers bring about improved competitive advantage	College diploma	Bachelor	-.086	.289	.953	-.79	.62
		Post graduate	-.571	.482	.468	-1.74	.60
	Bachelor	College diploma	.086	.289	.953	-.62	.79
		Post graduate	-.486	.420	.485	-1.51	.53
	Post graduate	College diploma	.571	.482	.468	-.60	1.74
		Bachelor	.486	.420	.485	-.53	1.51
Forming long term relationships with customers is highly valued	College diploma	Bachelor	-.114	.162	.761	-.51	.28
		Post graduate	-.286	.269	.543	-.94	.37
	Bachelor	College diploma	.114	.162	.761	-.28	.51
		Post graduate	-.171	.235	.747	-.74	.40
	Post graduate	College diploma	.286	.269	.543	-.37	.94
		Bachelor	.171	.235	.747	-.40	.74
Forming partner style relationships is too much work with little return	College diploma	Bachelor	.229	.482	.884	-.94	1.40
		Post graduate	1.333	.803	.232	-.62	3.28
	Bachelor	College diploma	-.229	.482	.884	-1.40	.94
		Post graduate	1.105	.700	.266	-.60	2.80
	Post graduate	College diploma	-1.333	.803	.232	-3.28	.62
		Bachelor	-1.105	.700	.266	-2.80	.60
Relationship marketing can improve the efficiency of the marketing processes in the hotel	College diploma	Bachelor	-.229	.311	.744	-.98	.53
		Post graduate	-.524	.518	.574	-1.78	.74
	Bachelor	College diploma	.229	.311	.744	-.53	.98
		Post graduate	-.295	.452	.791	-1.39	.80
	Post graduate	College diploma	.524	.518	.574	-.74	1.78
		Bachelor	.295	.452	.791	-.80	1.39
Relationship marketing has potential to provide significant benefits for the hotel	College diploma	Bachelor	-.057	.231	.967	-.62	.51
		Post graduate	-.238	.386	.812	-1.18	.70
	Bachelor	College diploma	.057	.231	.967	-.51	.62
		Post graduate	-.181	.336	.853	-1.00	.64
	Post graduate	College diploma	.238	.386	.812	-.70	1.18
		Bachelor	.181	.336	.853	-.64	1.00

Source: own survey result

4.6.2 The relationship between importance of CRM and the managers' demographics

4.6.2.1 The relationship between importance of CRM and the managers' gender

The relationship between importance of CRM and the managers' gender is listed in table-9. Analysis of variance (ANOVA) was used to assess whether the managers showed statistically significant relationship in terms of their opinion about the importance CRM and their gender.

Table-9 shows that, there was no statistically significant relationship between the hotel managers' gender and their opinions about the importance of CRM, ($\text{sig} > 0.05$ for all). Hence, the male hotel managers and the female hotel managers had no significant difference toward the importance of CRM.

Table-9: Importance of CRM and the managers' gender

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	.221	1	.221	.259	.614
	Within Groups	36.757	43	.855		
	Total	36.978	44			
Discerning important customers from not so important ones	Between Groups	2.213	1	2.213	.712	.404
	Within Groups	133.698	43	3.109		
	Total	135.911	44			
Enhancing and building trust and commitment with customers	Between Groups	1.737	1	1.737	1.510	.226
	Within Groups	49.463	43	1.150		
	Total	51.200	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	.180	1	.180	.319	.575
	Within Groups	24.265	43	.564		
	Total	24.444	44			
Analyzing competitors' relationships with their customers	Between Groups	.214	1	.214	.112	.739
	Within Groups	81.786	43	1.902		
	Total	82.000	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	.047	1	.047	.027	.869
	Within Groups	73.198	43	1.702		
	Total	73.244	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	.115	1	.115	.037	.848
	Within Groups	133.529	43	3.105		
	Total	133.644	44			
Identifying customer satisfactions the first priority	Between Groups	.291	1	.291	.353	.556
	Within Groups	35.487	43	.825		
	Total	35.778	44			
Customizing service to suite the customers' needs	Between Groups	2.546	1	2.546	1.759	.192
	Within Groups	62.254	43	1.448		
	Total	64.800	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	.009	1	.009	.003	.955
	Within Groups	114.791	43	2.670		
	Total	114.800	44			
Working on customer retention	Between Groups	.120	1	.120	.047	.829
	Within Groups	109.880	43	2.555		
	Total	110.000	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	.000	1	.000	.000	.989
	Within Groups	50.578	43	1.176		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	.047	1	.047	.046	.831
	Within Groups	43.198	43	1.005		
	Total	43.244	44			

Source: own survey result

4.6.2.2 The relationship between importance of CRM and the managers’ age

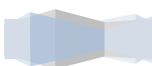
The relationship between importance of CRM and the hotel managers’ age are listed in table-10. The table shows that, there was no statistically significant relationship between the hotel managers’ age and their opinions about the importance of CRM (sig > 0.05 for all)

Hence, the hotel manager’s age had no significant relationship toward the importance of CRM.

Table-10: Importance of CRM and the managers’ age

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	.955	3	.318	.362	.780
	Within Groups	36.023	41	.879		
	Total	36.978	44			
Discerning important customers from not so important ones	Between Groups	1.767	3	.589	.180	.909
	Within Groups	134.144	41	3.272		
	Total	135.911	44			
Enhancing and building trust and commitment with customers	Between Groups	.096	3	.032	.026	.994
	Within Groups	51.104	41	1.246		
	Total	51.200	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	.044	3	.015	.024	.995
	Within Groups	24.401	41	.595		
	Total	24.444	44			
Analyzing competitors' relationships with their customers	Between Groups	3.977	3	1.326	.697	.559
	Within Groups	78.023	41	1.903		
	Total	82.000	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	4.542	3	1.514	.903	.448
	Within Groups	68.703	41	1.676		
	Total	73.244	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	10.054	3	3.351	1.112	.355
	Within Groups	123.590	41	3.014		
	Total	133.644	44			
Identifying customer satisfactions the first priority	Between Groups	3.508	3	1.169	1.485	.233
	Within Groups	32.270	41	.787		
	Total	35.778	44			
Customizing service to suite the customers' needs	Between Groups	7.192	3	2.397	1.706	.181
	Within Groups	57.608	41	1.405		
	Total	64.800	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	8.656	3	2.885	1.114	.354
	Within Groups	106.144	41	2.589		
	Total	114.800	44			
Working on customer retention	Between Groups	5.099	3	1.700	.664	.579
	Within Groups	104.901	41	2.559		
	Total	110.000	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	.217	3	.072	.059	.981
	Within Groups	50.360	41	1.228		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	2.555	3	.852	.858	.470
	Within Groups	40.689	41	.992		
	Total	43.244	44			

Source: own survey result



4.6.2.3 The relationship between importance of CRM and the managers' education level:

The relationship between importance of CRM and the managers' education level is listed at the end of the paper under appendix-III in table-1. Table-1 shows that there was no statistically significant relationship between the hotel managers' education level and their opinions about the importance of CRM ($\text{sig} > 0.05$ for all). However; when we look at the result of the previous study (Nevbahar H, 1995) showed there was a statistically significant relationship between the hotel managers' education and their opinions about the importance of customer relationship with ($\text{Sig} < 0.05$ in all attributes).

4.6.3 The relationship between performance of CRM and the managers' demographics

4.6.3.1 The relationship between performance of CRM and the managers' gender

ANOVA was used to assess whether the managers differed significantly in terms of their opinion about the performance of CRM and their gender. The relationship between performance of CRM and managers' gender are listed in table-11.

According to the findings there was not a statistically significant relationship ($\text{sig} > 0.05$). Therefore the managers' gender had no significant relationship with their opinion about performance of CRM.



Table-11: Performance of CRM and the managers' gender

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	.105	1	.105	.042	.838
	Within Groups	106.695	43	2.481		
	Total	106.800	44			
Discerning important customers from not so important ones	Between Groups	.352	1	.352	.083	.774
	Within Groups	181.559	43	4.222		
	Total	181.911	44			
Enhancing and building trust and commitment with customers	Between Groups	.207	1	.207	.077	.783
	Within Groups	116.104	43	2.700		
	Total	116.311	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	.899	1	.899	.358	.553
	Within Groups	107.901	43	2.509		
	Total	108.800	44			
Analyzing competitors' relationships with their customers	Between Groups	.536	1	.536	.135	.715
	Within Groups	170.575	43	3.967		
	Total	171.111	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	3.198	1	3.198	1.115	.297
	Within Groups	123.380	43	2.869		
	Total	126.578	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	.002	1	.002	.001	.982
	Within Groups	177.198	43	4.121		
	Total	177.200	44			
Identifying customer satisfactions the first priority	Between Groups	.126	1	.126	.041	.840
	Within Groups	131.519	43	3.059		
	Total	131.644	44			
Customizing service to suite the customers' needs	Between Groups	.759	1	.759	.265	.609
	Within Groups	123.152	43	2.864		
	Total	123.911	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	1.337	1	1.337	.377	.543
	Within Groups	152.663	43	3.550		
	Total	154.000	44			
Working on customer retention	Between Groups	1.778	1	1.778	.488	.489
	Within Groups	156.799	43	3.646		
	Total	158.578	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	.000	1	.000	.000	.989
	Within Groups	50.578	43	1.176		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	.047	1	.047	.046	.831
	Within Groups	43.198	43	1.005		
	Total	43.244	44			

Source: own survey result



4.6.3.2 The relationship between performance of CRM and the managers' age

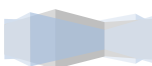
The relationship between performance of RM and managers' age are listed in table-12. The table shows that there was no statistically significant relationship between the hotel managers' age and their opinions about the performance of CRM (sig > 0.05 for all).

Therefore the managers' age had no significant relationship with their opinion about performance of CRM.

Table-12: Performance of CRM and the managers' age

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	2.692	3	.897	.353	.787
	Within Groups	104.108	41	2.539		
	Total	106.800	44			
Discerning important customers from not so important ones	Between Groups	7.010	3	2.337	.548	.652
	Within Groups	174.901	41	4.266		
	Total	181.911	44			
Enhancing and building trust and commitment with customers	Between Groups	2.167	3	.722	.259	.854
	Within Groups	114.144	41	2.784		
	Total	116.311	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	.908	3	.303	.115	.951
	Within Groups	107.892	41	2.632		
	Total	108.800	44			
Analyzing competitors' relationships with their customers	Between Groups	1.089	3	.363	.088	.967
	Within Groups	170.023	41	4.147		
	Total	171.111	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	2.163	3	.721	.238	.870
	Within Groups	124.414	41	3.034		
	Total	126.578	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	8.781	3	2.927	.713	.550
	Within Groups	168.419	41	4.108		
	Total	177.200	44			
Identifying customer satisfactions the first priority	Between Groups	1.784	3	.595	.188	.904
	Within Groups	129.860	41	3.167		
	Total	131.644	44			
Customizing service to suite the customers' needs	Between Groups	2.578	3	.859	.290	.832
	Within Groups	121.333	41	2.959		
	Total	123.911	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	.734	3	.245	.065	.978
	Within Groups	153.266	41	3.738		
	Total	154.000	44			
Working on customer retention	Between Groups	2.663	3	.888	.233	.873
	Within Groups	155.914	41	3.803		
	Total	158.578	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	.217	3	.072	.059	.981
	Within Groups	50.360	41	1.228		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	2.555	3	.852	.858	.470
	Within Groups	40.689	41	.992		
	Total	43.244	44			

Source: own survey result



4.6.3.3 The relationship between performance of CRM and the managers' education level

The relationship between performance of customer CRM and the managers' education level are listed at the end of the paper under appendix-III in table-2. According to the findings, there was no statistically significant relationship between the hotel managers' education level and their opinions about the performance of CRM except on few points the study showed ($\text{sig} > 0.05$ for all).

On the statement "Identifying key customers for building better business relationship" College diploma holders had significantly different opinion with bachelor holders about the performance of CRM ($\text{sig} = 0.11$), on the statement "Discerning important customers from not so important ones" bachelor holders had significantly different opinion with college diploma holders about the performance of CRM ($\text{sig} = 0.11$),

However; according to the previous study (Nevbahar H, 1995) findings, there was a statistically significant relationship between the hotel managers' education level and their opinions about the performance of CRM ($\text{sig} < 0.00$ for all).

ANOVA was used to explore whether the managers had statistically significantly relationship in terms of their perception towards CRM and their gender, age and education level. According to the findings, there was no statistically significant relationship between the hotel managers' gender and their perception toward CRM. Therefore, the male and the female hotel managers didn't have difference in their perception towards CRM.

In terms of the relationship between the hotel managers' age and their perception towards CRM, According to the findings, there was no statistically significant relationship between the hotel managers' age and their perception toward CRM. Therefore, age didn't have relationship with perception towards CRM

Similarly there was no statistically significant relationship between the hotel managers' education level and their perception towards CRM. Managers from different level of education had similar perception towards CRM.

According to ANOVA there was no statistically significant relationship between the hotel managers' gender and their opinions about the importance of CRM. Hence, the male hotel managers and the female hotel managers had no significant difference towards the importance of CRM.

There was no statistically significant relationship between the hotel managers' age and their opinions about the importance of CRM. Therefore, age do not have significant impact on the importance of CRM.

There was also no statistically significant relationship between the hotel managers' education level and their opinions about the importance of CRM. The managers from different education levels had no significant difference on the importance of CRM.

According to findings of ANOVA there was no statistically significant relationship between the managers' gender and their opinions about performance of CRM. Therefore the hotel managers' gender didn't have relationship in their perception towards performance of RM.



Similarly there was no statistically significant relationship between the hotel managers' age and their opinions about the performance of CRM. Managers' age had no significant relationship with their opinions about performance of CRM.

The hotel managers' education level and their opinions about the performance of CRM also didn't have statistically significantly related with performance of CRM. The only exceptional cases were "Identifying key customers for building better business relationship" College diploma holders had significantly different opinion with bachelor holders about the performance of CRM on this statement (sig =0.11), and on the statement "Discerning important customers from not so important ones" bachelor holders had significantly different opinion with college diploma holders about the performance of CRM (sig =0.11),

Therefore; Ho1 was accepted.

Hypothesis-2

Ho2: There is no significant relationship between hotel managers' perception towards CRM, importance and performance of CRM and hotel properties' characteristics;

Ha2: There is significant relationship between hotel managers' perception towards CRM, importance and performance of CRM and hotel properties' characteristics;

4.7 Relationship between hotel managers' perception towards CRM, importance and performance of CRM and hotel properties' characteristics

4.7.1 The relationship between the managers' perception towards CRM and hotel properties' characteristics

4.7.1.1 The relationship between the managers' perception towards CRM and their position

Analysis of variance (ANOVA) was used to assess whether the managers differed significantly in terms of their perception towards CRM and their position in the hotel. There was no statistically significant relationship between the managers from different position and their perception toward CRM (sig > 0.05 for all). The relationship between managers' perception towards CRM and their position in the hotel are listed at the end of the paper in the appendix III in table-3.

Post Hoc Tukey test was performed to identify whether the managers from different position had statistically significant differences in their perception towards CRM. According to the findings the managers who work in **other** positions like housekeeping, finance, HR, and reservation) and the managers who work in the front office manager position had a higher level of relationship with their perception toward the statement "Relationship marketing has potential to provide significant benefits for the hotel" than the managers who work for general manager, marketing manager and F&B manager position (MD: $-.652^*$, sig < 0.46). With the exception of the above statement all managers didn't have significant different in their perception toward CRM.

4.7.1.2 The relationship between the managers’ perception towards CRM and their experience

Analysis of variance (ANOVA) was used to assess whether the managers differed significantly in terms of their perception towards CRM and their experience on the current position. There was no statistically significant relationship between the managers from different level of experience and their perception toward CRM (sig > 0.05 for all). The relationship between managers’ perception towards CRM and their position in the hotel are listed at the end of the paper in the appendix III in table-4. This implies that years of experience didn’t affect the perception managers toward CRM.

4. 7.1.3 The relationship between the managers’ perception towards CRM and the hotels management pattern

Analysis of variance (ANOVA) was used to assess whether the managers differed significantly in terms of their perception towards CRM and the hotel management pattern. There was no statistically significant relationship between the managers from different management affiliations and their perception toward CRM (sig > 0.05 for all). This means there is no significant relationship between the hotel management pattern and managers’ perception towards CRM.

Table-13: Managers’ perception towards CRM and the hotels management pattern

		Sum of Squares	df	Mean Square	F	Sig.
Customer trust and commitment enhance business relationships	Between Groups	.400	1	.400	.843	.364
	Within Groups	20.400	43	.474		
	Total	20.800	44			
It is important to form close relationships with customers	Between Groups	.711	1	.711	1.960	.169
	Within Groups	15.600	43	.363		
	Total	16.311	44			
Close relationship with customers bring about improved competitive advantage	Between Groups	.025	1	.025	.051	.823
	Within Groups	21.175	43	.492		
	Total	21.200	44			
Forming long term relationships with customers is highly valued	Between Groups	.178	1	.178	1.194	.281
	Within Groups	6.400	43	.149		
	Total	6.578	44			
Forming partner style relationships is too much work with little return	Between Groups	4.225	1	4.225	3.211	.080
	Within Groups	56.575	43	1.316		
	Total	60.800	44			
Relationship marketing can improve the efficiency of the marketing processes in the hotel	Between Groups	.011	1	.011	.020	.889
	Within Groups	24.300	43	.565		
	Total	24.311	44			
Relationship marketing has potential to provide significant benefits for the hotel	Between Groups	.044	1	.044	.145	.705
	Within Groups	13.200	43	.307		
	Total	13.244	44			

Source: own survey result

4.7.1.4 The relationship between the managers' perception towards CRM and the hotels' room numbers

ANOVA was used to assess whether the managers differed statistically significantly in terms of their perception towards CRM and their hotel's room numbers. The relationship between managers' perception towards CRM and the hotels' room numbers are listed in table-14. The table shows that, with the exception of one statement there was no statistically significant relationship between the managers from different size hotels and their perception toward CRM.

Post Hoc Tukey test was performed to identify whether the managers who work for small and large number of rooms had statistically significant differences in their perception towards CRM. According to the findings there was statistically significant relationship/difference between managers who are working for small and large sized hotels on the statement "Forming long term relationships with customers is highly valued" with higher significance level ($sig < .026$). With the exception of the above statement all managers didn't have significant different in their perception toward CRM ($sig > 0.05$ for all).

Table-14: Managers' perception towards CRM and the hotels' room numbers

		Sum of Squares	df	Mean Square	F	Sig.
Customer trust and commitment enhance business relationships	Between Groups	.599	3	.200	.405	.750
	Within Groups	20.201	41	.493		
	Total	20.800	44			
It is important to form close relationships with customers	Between Groups	.858	3	.286	.759	.524
	Within Groups	15.453	41	.377		
	Total	16.311	44			
Close relationship with customers bring about improved competitive advantage	Between Groups	1.747	3	.582	1.227	.312
	Within Groups	19.453	41	.474		
	Total	21.200	44			
Forming long term relationships with customers is highly valued	Between Groups	1.320	3	.440	3.430	.026
	Within Groups	5.258	41	.128		
	Total	6.578	44			
Forming partner style relationships is too much work with little return	Between Groups	5.488	3	1.829	1.356	.270
	Within Groups	55.312	41	1.349		
	Total	60.800	44			
Relationship marketing can improve the efficiency of the marketing processes in the hotel	Between Groups	1.222	3	.407	.723	.544
	Within Groups	23.089	41	.563		
	Total	24.311	44			
Relationship marketing has potential to provide significant benefits for the hotel	Between Groups	.623	3	.208	.674	.573
	Within Groups	12.622	41	.308		
	Total	13.244	44			

Source: own survey result



4.7.2 The relationship between importance of CRM and hotel properties' characteristics

4.7.2.1 The relationship between importance of CRM and the hotels' management pattern

The relationship between importance of CRM and hotels' management pattern are listed in table-15. The table shows that, with the exception of one statement "Analyzing competitors' relationships with their customers" ($\text{sig} = 0.009$) there was no statistically significant relationship between the hotel managers who were from different management affiliations and their opinions about the importance of CRM, ($\text{sig} > 0.05$ for all). However; on the statement "Analyzing competitors' relationships with their customers" hotel managers who were from different management affiliations had statistically significant relationship with their opinions about the importance of CRM ($\text{sig} < 0.09$).



Table-15: Importance of CRM and the hotels' management pattern

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	.178	1	.178	.208	.651
	Within Groups	36.800	43	.856		
	Total	36.978	44			
Discerning important customers from not so important ones	Between Groups	1.736	1	1.736	.556	.460
	Within Groups	134.175	43	3.120		
	Total	135.911	44			
Enhancing and building trust and commitment with customers	Between Groups	.900	1	.900	.769	.385
	Within Groups	50.300	43	1.170		
	Total	51.200	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	.044	1	.044	.078	.781
	Within Groups	24.400	43	.567		
	Total	24.444	44			
Analyzing competitors' relationships with their customers	Between Groups	12.100	1	12.100	7.443	.009
	Within Groups	69.900	43	1.626		
	Total	82.000	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	.544	1	.544	.322	.573
	Within Groups	72.700	43	1.691		
	Total	73.244	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	.469	1	.469	.152	.699
	Within Groups	133.175	43	3.097		
	Total	133.644	44			
Identifying customer satisfactions the first priority	Between Groups	.178	1	.178	.215	.645
	Within Groups	35.600	43	.828		
	Total	35.778	44			
Customizing service to suite the customers' needs	Between Groups	.225	1	.225	.150	.701
	Within Groups	64.575	43	1.502		
	Total	64.800	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	.400	1	.400	.150	.700
	Within Groups	114.400	43	2.660		
	Total	114.800	44			
Working on customer retention	Between Groups	.900	1	.900	.355	.555
	Within Groups	109.100	43	2.537		
	Total	110.000	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	.003	1	.003	.002	.961
	Within Groups	50.575	43	1.176		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	.469	1	.469	.472	.496
	Within Groups	42.775	43	.995		
	Total	43.244	44			

Source: own survey result

4.7.2.2 The relationship between importance of CRM and the hotels' room numbers

The relationship between importance of CRM and the hotels' room numbers are listed in table-16. Table-16 shows that in the following three statements there was a statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the importance of CRM "Securing and spending the resources required in building close relationships with key customers" (sig = 0.00), "Customizing service to suite the customers' needs (sig = 0.00)", and "Maintaining good relationships with customers to improve customer loyalty (sig = 0.00)". On the remaining 10 statements there was no statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the importance of CRM (sig > 0.05 for all).

Table-16: Importance of CRM and the hotels' room numbers

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	2.473	3	.824	.979	.412
	Within Groups	34.505	41	.842		
	Total	36.978	44			
Discerning important customers from not so important ones	Between Groups	6.608	3	2.203	.698	.558
	Within Groups	129.304	41	3.154		
	Total	135.911	44			
Enhancing and building trust and commitment with customers	Between Groups	2.122	3	.707	.591	.624
	Within Groups	49.078	41	1.197		
	Total	51.200	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	1.367	3	.456	.809	.496
	Within Groups	23.078	41	.563		
	Total	24.444	44			
Analyzing competitors' relationships with their customers	Between Groups	1.320	3	.440	.224	.879
	Within Groups	80.680	41	1.968		
	Total	82.000	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	27.986	3	9.329	8.451	.000
	Within Groups	45.258	41	1.104		
	Total	73.244	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	9.101	3	3.034	.999	.403
	Within Groups	124.544	41	3.038		
	Total	133.644	44			
Identifying customer satisfactions the first priority	Between Groups	4.611	3	1.537	2.022	.126
	Within Groups	31.167	41	.760		
	Total	35.778	44			
Customizing service to suite the customers' needs	Between Groups	11.113	3	3.704	2.829	.050
	Within Groups	53.687	41	1.309		
	Total	64.800	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	3.107	3	1.036	.380	.768
	Within Groups	111.693	41	2.724		
	Total	114.800	44			
Working on customer retention	Between Groups	15.799	3	5.266	2.292	.092
	Within Groups	94.201	41	2.298		
	Total	110.000	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	19.839	3	6.613	8.821	.000
	Within Groups	30.739	41	.750		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	6.558	3	2.186	2.443	.078
	Within Groups	36.687	41	.895		
	Total	43.244	44			

Source: own survey result

4.7.3 The relationship between performance of CRM and hotel properties' characteristics

4.7.3.1 The relationship between performance of CRM and the hotels' management pattern

The relationship between performance of CRM and the hotels' management pattern are listed in table-17. The table shows that there was no statistically significant relationship between the hotel managers who were from different management affiliations and their opinions about the performance of CRM (sig > 0.05 for all).

Table-17: Performance of CRM and the hotels' management pattern

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	.025	1	.025	.010	.921
	Within Groups	106.775	43	2.483		
	Total	106.800	44			
Discerning important customers from not so important ones	Between Groups	4.011	1	4.011	.970	.330
	Within Groups	177.900	43	4.137		
	Total	181.911	44			
Enhancing and building trust and commitment with customers	Between Groups	2.336	1	2.336	.881	.353
	Within Groups	113.975	43	2.651		
	Total	116.311	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	.625	1	.625	.248	.621
	Within Groups	108.175	43	2.516		
	Total	108.800	44			
Analyzing competitors' relationships with their customers	Between Groups	13.611	1	13.611	3.716	.061
	Within Groups	157.500	43	3.663		
	Total	171.111	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	.278	1	.278	.095	.760
	Within Groups	126.300	43	2.937		
	Total	126.578	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	.625	1	.625	.152	.698
	Within Groups	176.575	43	4.106		
	Total	177.200	44			
Identifying customer satisfactions the first priority	Between Groups	.544	1	.544	.179	.675
	Within Groups	131.100	43	3.049		
	Total	131.644	44			
Customizing service to suite the customers' needs	Between Groups	1.736	1	1.736	.611	.439
	Within Groups	122.175	43	2.841		
	Total	123.911	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	3.025	1	3.025	.862	.358
	Within Groups	150.975	43	3.511		
	Total	154.000	44			
Working on customer retention	Between Groups	5.378	1	5.378	1.509	.226
	Within Groups	153.200	43	3.563		
	Total	158.578	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	.003	1	.003	.002	.961
	Within Groups	50.575	43	1.176		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	.469	1	.469	.472	.496
	Within Groups	42.775	43	.995		
	Total	43.244	44			

Source: own survey result

4.7.3.2 The relationship between performance of CRM and the hotels’ room numbers

The relationship between performance of CRM and the hotels’ room numbers are listed in table-18. Table-18 shows that, there was a statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the performance of CRM on few statements. On the statement “Identifying key customers for building better business relationship” (sig = 0.043), on the statement “Initiating and implementing long term relationships with customers for improved competitive advantage” (sig=0.045), on the statement “Managing conflicts and resolving service conflicts with customers” (sig=0.04), and on the statement “Maintaining good relationships with customers to improve customer loyalty” (sig=0.00). On the remaining 9 statements the study showed as there was no statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the performance of CRM.

Table-18: Performance of CRM and the hotels’ room numbers

		Sum of Squares	df	Mean Square	F	Sig.
Identifying key customers for building better business relationship	Between Groups	19.008	3	6.336	2.959	.043
	Within Groups	87.792	41	2.141		
	Total	106.800	44			
Discerning important customers from not so important ones	Between Groups	29.664	3	9.888	2.663	.061
	Within Groups	152.247	41	3.713		
	Total	181.911	44			
Enhancing and building trust and commitment with customers	Between Groups	19.019	3	6.340	2.672	.060
	Within Groups	97.292	41	2.373		
	Total	116.311	44			
Initiating and implementing long term relationships with customers for improved competitive advantage	Between Groups	19.211	3	6.404	2.931	.045
	Within Groups	89.589	41	2.185		
	Total	108.800	44			
Analyzing competitors' relationships with their customers	Between Groups	25.431	3	8.477	2.386	.083
	Within Groups	145.680	41	3.553		
	Total	171.111	44			
Securing and spending the resources required in building close relationships with key customers	Between Groups	2.320	3	.773	.255	.857
	Within Groups	124.258	41	3.031		
	Total	126.578	44			
Inquiring about customers' willingness to form personal and close relationships	Between Groups	23.570	3	7.857	2.097	.115
	Within Groups	153.630	41	3.747		
	Total	177.200	44			
Identifying customer satisfactions the first priority	Between Groups	22.339	3	7.446	2.793	.052
	Within Groups	109.305	41	2.666		
	Total	131.644	44			
Customizing service to suite the customers' needs	Between Groups	16.963	3	5.654	2.168	.106
	Within Groups	106.948	41	2.608		
	Total	123.911	44			
Managing conflicts and resolving service conflicts with customers	Between Groups	27.995	3	9.332	3.036	.040
	Within Groups	126.005	41	3.073		
	Total	154.000	44			
Working on customer retention	Between Groups	14.573	3	4.858	1.383	.262
	Within Groups	144.005	41	3.512		
	Total	158.578	44			
Maintaining good relationships with customers to improve customer loyalty	Between Groups	19.839	3	6.613	8.821	.000
	Within Groups	30.739	41	.750		
	Total	50.578	44			
Rewarding loyal customers to encourage expanded purchase behavior	Between Groups	6.558	3	2.186	2.443	.078
	Within Groups	36.687	41	.895		
	Total	43.244	44			

Source: own survey result

Analysis of variance (ANOVA) was used to assess whether the managers differed significantly in terms of their perception towards CRM and their position held in the current hotel, their years of experience in the current position, their hotels' management pattern and their hotels' room numbers. Except on two attributes: 1. Where the findings showed the managers who work in **other** positions like housekeeping, finance, HR, and reservation) and the managers who work in the front office manager position had a higher level of relationship/difference with their perception toward the statement "Relationship marketing has potential to provide significant benefits for the hotel" than the managers who work for general manager, marketing manager and F&B manager position (MD: $-.652^*$, $\text{sig} < 0.46$). 2. Where the findings showed there was statistically significant relationship/difference between managers who are working for small and large sized hotels on the statement "Forming long term relationships with customers is highly valued" with higher significance level ($\text{sig} < .026$). With the exception of the upper mentioned two statements there was no statistically significant relationship between the manager's position held in the current hotel, their years of experience in the current position, their hotels' management pattern and their hotels' room numbers and their perception towards CRM.

According to ANOVA, on 12 attributes there was no statistically significant relationship between the hotel managers who were from different patterned hotels and their opinions about the importance of CRM. Therefore, the managers from different management affiliations had similar opinions about the importance of CRM with the exception of one statement "Analyzing competitors' relationships with their customers" ($\text{sig} = 0.009$) on which the managers from different management affiliations had different opinions.

There was also no statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the importance of CRM on 10 attributes. The only attributes on which the study showed a statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the importance of CRM are "Securing and spending the resources required in building close relationships with key customers" ($\text{sig} = 0.00$), "Customizing service to suite the customers' needs ($\text{sig} = 0.00$)", and "Maintaining good relationships with customers to improve customer loyalty ($\text{sig} < 0.00$)".

According to ANOVA findings there was no statistically significant relationship between the hotel managers who were from different management affiliations and their opinions about the performance of CRM ($\text{sig} > 0.05$ for all). Hence, they had similar opinions about their perception towards performance of CRM. There was a statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the performance of CRM on four statements like "Identifying key customers for building better business relationship" ($\text{sig} = 0.043$), "Initiating and implementing long term relationships with customers for improved competitive advantage" ($\text{sig}=0.045$), "Managing conflicts and resolving service conflicts with customers" ($\text{sig}=0.04$), and "Maintaining good relationships with customers to improve customer loyalty" ($\text{sig}=0.00$). On the remaining 9 statements the study showed as there was no statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the performance of CRM.

Therefore; Ho2 was partially accepted.

Hypothesis-3

Ho3: There is no significant GAP between hotel managers' perception towards performance of CRM attributes and the importance of CRM attributes;

Ha3: There is significant GAP between hotel managers' perception towards performance of CRM attributes and the importance of CRM attributes;

4.8 The GAP between hotel managers' perception towards performance of CRM attributes and the importance of CRM attributes

4.8.1 Importance and Performance Analysis

The hotel managers' perception toward importance of CRM and their perception toward performance of CRM are presented in the table-19.

Importance:

For the importance measurement, 5 point Likert-type scale (1 = Not important at all, 2 = somewhat important, 3 = Important, 4 = Very important, 5 = extremely important) was used. The overall mean of importance was 4.53 which is very important and above.

The statements; "Identifying key customers for building better business relationship", "Enhancing and building trust and commitment with customers", "Initiating and implementing long term relationships with customers for improved competitive advantage", "Identifying customer satisfaction as the first priority", "Customizing service to suite the customers' needs", "Managing conflicts and resolving service conflicts with customers", "Working on customer retention", and "Maintaining good relationships with customers to improve customer loyalty" were the highest ratings of all attributes which is above the average mean 4.53. In other words, managers perceived that these eight attributes had a high level of importance. The statements "Securing and spending the resources required in building close relationships with key customers"; and "Rewarding loyal customers to encourage expanded purchase behavior" were rated as 4.51. While the statements "Discerning important customers from not so important ones", "Inquiring about customers' willingness to form personal and close relationships", "Analyzing competitors' relationships with their customers" were the least rated of all the attributes 3.16, 3.91 and 4.33 respectively. In other words, managers perceived that these three attributes had relatively less level of importance.

Performance:

For the performance measurement, 6 point Likert-type scale (1= Extremely low, 2= Very low, 3= Low, 4= High, 5= Very high, 6= Extremely high) was used. The overall mean of performance was 4.8 which is almost very high level of performance.

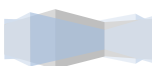
Almost all the statements' scores were above 4.50 with the exception of three statements. The statements; "Discerning important customers from not so important ones", "Analyzing competitors' relationships with their customers", "Inquiring about customers' willingness to form personal and close relationships" were the least rated 3.84, 4.44 and 4.47 respectively. In other

words, managers perceived that these three attributes had relatively less level of performance. The statements; “Enhancing and building trust and commitment with customers “, “Managing conflicts and resolving service conflicts with customers “, “Working on customer retention”, “Maintaining good relationships with customers to improve customer loyalty” were scored above 5.00 which is the highest rating among the other 13 statements. According to the finding data, the managers think that they perform best in these four statements.

Table-19: Importance and Performance Analysis

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Identifying key customers for building better business relationship	4.58	45	.917	.137
	Identifying key customers for building better business relationship	4.73	45	1.558	.232
Pair 2	Discerning important customers from not so important ones	3.16	45	1.758	.262
	Discerning important customers from not so important ones	3.84	45	2.033	.303
Pair 3	Enhancing and building trust and commitment with customers	4.80	45	1.079	.161
	Enhancing and building trust and commitment with customers	5.24	45	1.626	.242
Pair 4	Initiating and implementing long term relationships with customers for improved competitive advantage	4.89	45	.745	.111
	Initiating and implementing long term relationships with customers for improved competitive advantage	4.93	45	1.572	.234
Pair 5	Analyzing competitors' relationships with their customers	4.33	45	1.365	.204
	Analyzing competitors' relationships with their customers	4.44	45	1.972	.294
Pair 6	Securing and spending the resources required in building close relationships with key customers	4.51	45	1.290	.192
	Securing and spending the resources required in building close relationships with key customers	4.62	45	1.696	.253
Pair 7	Inquiring about customers' willingness to form personal and close relationships	3.91	45	1.743	.260
	Inquiring about customers' willingness to form personal and close relationships	4.47	45	2.007	.299
Pair 8	Identifying customer satisfaction as the first priority	4.78	45	.902	.134
	Identifying customer satisfaction as the first priority	4.91	45	1.730	.258
Pair 9	Customizing service to suite the customers' needs	4.60	45	1.214	.181
	Customizing service to suite the customers' needs	4.96	45	1.678	.250
Pair 10	Managing conflicts and resolving service conflicts with customers	5.00	45	1.615	.241
	Managing conflicts and resolving service conflicts with customers	5.33	45	1.871	.279
Pair 11	Working on customer retention	5.00	45	1.581	.236
	Working on customer retention	5.38	45	1.898	.283
Pair 12	Maintaining good relationships with customers to improve customer loyalty	4.82	45	1.072	.160
	Maintaining good relationships with customers to improve customer loyalty	5.02	45	1.454	.217
Pair 13	Rewarding loyal customers to encourage expanded purchase behavior	4.51	45	.991	.148
	Rewarding loyal customers to encourage expanded purchase behavior	4.60	45	1.924	.287

Source: own survey result



The overall mean of importance was 4.53 which is very important and above and the overall mean of performance was 4.8 which is almost very high level of performance. The average mean of both are almost similar. This indicates that there is no significant difference between the managers’ perception toward importance and performance of CRM.

Therefore; Ho3 was accepted

Hypothesis-4

Ho4: There is no significant impact of hotel managers’ perception towards performance of CRM on likelihood of using CRM, likelihood of recommendation CRM and likelihood of continuing use of CRM;

Ha4: There is significant impact of hotel managers’ perception towards performance of CRM on likelihood of using CRM, likelihood of recommendation CRM and likelihood of continuing use of CRM;

4.9. Impact of Performance of Customer Relationship on Likelihood of Using CRM

In table-20 the model summary is presented. The model summary table reports the strength of the relationship between the model and the dependent variable. In this model the R-value is small .442, which indicates that the dependent variable has weak relationship with the independent variable. R-square is frequently used to describe the goodness-of-fit or the amount of variance explained by a given set of predictor variables. In this study, the value is .196, which means only 19.6% of the variation in dependent variable “likelihood of using CRM” was explained by the independent variable “performance of customer relationship”.

The regression results of “performance of CRM” and “likelihood of using CRM” are listed in ANOVA table-21. The ANOVA table describes the overall variance accounted for in the model. The significance value of F is (F-value =0.580; and sig.0.851) which is higher than 0.05, this indicates the independent variable do not explain the variation in the dependent variable. In this study the residual sum of square is larger than the regression sum of square; this indicates that the model fails to explain a lot of the variation in the dependent variable.

Table-22 listed the t-values; all the t-values are in the range of -2 and +2, which indicates the predictors were not useful.

Table-20.1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442 ^a	.196	-.142	.950

a. Predictors: (Constant),

Table-20.2

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.808	13	.524	.580	.851 ^b
	Residual	27.992	31	.903		
	Total	34.800	44			



- a. Dependent Variable: How likely would you use CRM
- b. Predictors: (Constant),

Table-20.3

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	4.013	.724		5.540	.000
Identifying key customers for building better business relationship	-.064	.200	-.112	-.321	.750
Discerning important customers from not so important ones	-.007	.121	-.016	-.057	.955
Enhancing and building trust and commitment with customers	-.141	.239	-.258	-.591	.559
Initiating and implementing long term relationships with customers for improved competitive advantage	.151	.284	.268	.533	.598
Analyzing competitors' relationships with their customers	-.059	.129	-.131	-.460	.649
Securing and spending the resources required in building close relationships with key customers	-.045	.143	-.086	-.317	.754
Inquiring about customers' willingness to form personal and close relationships	.057	.129	.128	.442	.661
Identifying customer satisfactions the first priority	.120	.239	.233	.501	.620
Customizing service to suite the customers' needs	.149	.163	.281	.910	.370
Managing conflicts and resolving service conflicts with customers	.057	.154	.119	.368	.715
Working on customer retention	-.164	.105	-.350	-1.554	.130
Maintaining good relationships with customers to improve customer loyalty	-.084	.187	-.138	-.451	.655
Rewarding loyal customers to encourage expanded purchase behavior	.030	.242	.065	.124	.902

a. Dependent Variable: How likely would you use CRM

Source: own survey result

There was a negative sign of the coefficient which indicated a negative relationship between “performance of CRM” and “likelihood of using CRM”. Managers who had a higher performance at customer relationship were less likely to use CRM. In other words, managers’ perception towards performance of CRM had no significant impact on hotels possibility of using CRM;

Therefore; Ho4 was accepted.



Hypothesis-5

Ho5: There is no significant relationship between hotel managers’ familiarity with CRM and possibility of implementing CRM in the future;

Ha5: There is significant relationship between hotel managers’ familiarity with CRM and possibility of implementing CRM in the future;

4.10. Impact of Familiarity with CRM on Likelihood of Implementing CRM

The results of “familiarity with customer relationship management” against the dependent variable of “likelihood of implementing customer relationship management” are listed in the following tables (table 23, 24, and 25).

The regression equation characteristics of “likelihood of implementing CRM” indicated adjusted R^2 of 0.301. This result indicated that 30.1% of the variation in “likelihood of implementing CRM” was explained by this equation. The F-value of 18.500 was not significant (prob. < 0.000) which showed that the independent variable do not explain the variation in the dependent variable.

According to the result the value of R is .548 which is not sufficiently large and indicates the dependent variable has weak relationship with the independent variable.

The residual sum of square is higher than the sum square of the regression; this indicates that the model fails to explain a lot of variation in the dependent variable.

Table-21.1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.548 ^a	.301	.285	.872

a. Predictors: (Constant), How familiar are you with CRM

Table-21.2

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.078	1	14.078	18.500	.000 ^b
	Residual	32.722	43	.761		
	Total	46.800	44			

a. Dependent Variable: Please indicate the level of possibility of implementing CRM at your hotel

b. Predictors: (Constant), How familiar are you with CRM

Table-21.3

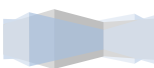
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.506	.459		5.460	.000
	How familiar are you with CRM	.463	.108	.548	4.301	.000

a. Dependent Variable: Please indicate the level of possibility of implementing CRM at your hotel

Source: own survey result

According to this finding there was no positive relationship between the independent variable and the dependent variable. In other words, the likelihood of implementing CRM do not increased when familiarity with CRM occurred.

Therefore; Ho5 was accepted.



CHAPTER-FIVE

5. CONCLUSIONS AND RECOMMENDATION

5.1 Result summary

The hotel industry is under tremendous competitive pressure. The traditional notion of “learn from your mistakes as you go” is replaced with “do it right the first time and be absolutely consistent in doing it throughout”. The main ingredients of success in the hotel industry (as is the case in other service industries) have been to acquire and to retain customers. The acquisition and retention of customers require identification, understanding and utilization of their likes and dislikes, which can only be accomplished through building close, one-to-one relationships with them. For this reason, the aim of this study was to analyze customer relationship management for the four star hotels in Addis Ababa.

The demographic profiles of the hotel managers:

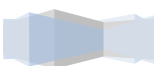
The findings showed that the majority of the respondents are male 75.6% and only 24.4% were females. In terms of age the majority of respondents are in the range of 25 to 35 years 82.2 % and 2.2% of managers were less than 25 years, 13.3% of managers were in the 36-45 age group, 2.2% of managers were in the range of 56 to 65 years, and none of the managers were above 66 years of age. In terms of managers' educational background, none of the managers were graduated from high school and the majority of managers 77.8% held bachelor. 15.6% of managers graduated from some college and only 6.7% of managers have post graduate degrees.

The Hotel Managers' and the Hotels' Characteristics:

Analysis of data revealed that most of the respondents were from other departments like housekeeping, finance, human resource and reservation managers (51.1% followed by front office manager (15.6%), food and beverage managers (13.3%), marketing manager (11.1%), and general managers (8.9%). the majority of the managers 35.6% were working for the present hotel under 1 year followed by 1 to 2 years, 3 years and above and 2 to 3 years which is in terms of percentage 26.7%, 26.7% and 11.1% respectively. In terms of the number of years holding the position managers who have an experience of less than 1 year and above 3 years scored similar percentage 35.6%. According to findings, 88.9% of hotels were independently managed. Interestingly, In terms of hotels' room numbers, 48.9% of hotels had 100-149 rooms, 31.1% of hotels had 51-99 rooms, 17.84% hotels had above 150-199 rooms and only 2.2% of hotels had 26-50 rooms.

The managers' perception towards CRM:

The overall mean with the level of agreement of the hotel managers' perceptions toward CRM was 4.33. In the other words, they had a positive perception towards CRM.



The relationship between the managers' perception towards CRM and their demographics:

According to ANOVA testing, there was no statistically significant relationship between the hotel managers' gender and their perception toward CRM. Hence, the male and the female hotel managers didn't have difference in their perception towards CRM. In terms of the relationship between the hotel managers' age and their perception towards CRM, According to the findings, there was no statistically significant relationship between the hotel managers' age and their perception toward CRM. Therefore, age didn't have relationship with perception towards CRM. Similarly there was no statistically significant relationship between the hotel managers' education level and their perception towards CRM. Managers from different level of education had similar perception towards CRM.

Importance of CRM and the managers' demographic profile:

According to ANOVA there was no statistically significant relationship between the hotel managers' gender and their opinions about the importance of CRM. Hence, the male hotel managers and the female hotel managers had no significant difference towards the importance of CRM.

There was no statistically significant relationship between the hotel managers' age and their opinions about the importance of CRM. Therefore, age do not have significant impact on the importance of CRM.

There was also no statistically significant relationship between the hotel managers' education level and their opinions about the importance of CRM. The managers from different education levels had no significant difference on the importance of CRM.

Performance of CRM and the managers' demographic profile:

According to findings of ANOVA there was no statistically significant relationship between the managers' gender and their opinions about performance of CRM. Therefore the hotel managers' gender didn't have relationship in their perception towards performance of RM.

Similarly there was no statistically significant relationship between the hotel managers' age and their opinions about the performance of CRM. Managers' age had no significant relationship with their opinions about performance of CRM.

The hotel managers' education level and their opinions about the performance of CRM also didn't have statistically significantly related with performance of CRM.

The relationship between the managers' perception towards CRM and the hotels' properties' characteristics:

Analysis of variance (ANOVA) was used to assess whether the managers differed significantly in terms of their perception towards CRM and their position held in the current hotel, their years of experience in the current position, their hotels' management pattern and their hotels' room numbers. With the exception of two statements there was no statistically significant relationship between the manager's position held in the current hotel, their years of experience in the current position, their hotels' management pattern and their hotels' room numbers and their perception towards CRM.

Importance of CRM and hotel properties' characteristics:

According to ANOVA, the managers from different management affiliations had similar opinions about the importance of CRM with the exception of one statement "Analyzing competitors' relationships with their customers" (sig = 0.009) on which the managers from different management affiliations had different opinions.

There was also no statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the importance of CRM on 10 attributes. The only attributes on which the study showed a statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the importance of CRM are "Securing and spending the resources required in building close relationships with key customers" (sig = 0.00), "Customizing service to suite the customers' needs (sig = 0.00)", and "Maintaining good relationships with customers to improve customer loyalty (sig < 0.00)".

Performance of CRM and hotel properties' characteristics:

According to ANOVA findings there was no statistically significant relationship between the hotel managers who were from different management affiliations and their opinions about the performance of CRM (sig > 0.05 for all). Hence, they had similar opinions about their perception towards performance of CRM. However; There was a statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the performance of CRM on four statements like "Identifying key customers for building better business relationship" (sig = 0.043), "Initiating and implementing long term relationships with customers for improved competitive advantage" (sig=0.045), "Managing conflicts and resolving service conflicts with customers" (sig=0.04), and "Maintaining good relationships with customers to improve customer loyalty" (sig=0.00). On the remaining 9 statements the study showed as there was no statistically significant relationship between the hotel managers who work for different sizes of hotels and their opinions about the performance of CRM.

Importance-performance analysis (IPA):

Importance-Performance Analysis (IPA) was employed to compare the hotel managers' perception toward the importance of CRM and their perception toward the performance of CRM. According to the paired-mean sample t-tests between the importance means and the performance means, 13 attributes about perceptions toward CRM showed that there is no significant difference between the managers' perception toward importance and performance of CRM.

The overall mean of importance was 4.53 which is very important and above and the overall mean of performance was 4.8 which is almost very high level of performance. The average mean of both are almost similar. This indicates that there is no significant difference between the managers' perception toward importance and performance of CRM.

Familiarity with CRM and likelihood of implementing CRM:

According to the findings, the hotel managers were almost familiar with CRM (4.09). Findings also showed that they were likely to implement CRM in the future (4.40).

Regression was used to find their relationship; According to this finding there was no positive

relationship between the independent variable “Familiarity with CRM” and the dependent variable “likelihood of implementing CRM”. In other words, the likelihood of implementing CRM do not increased when familiarity with CRM occurred.

5.2 Conclusion

The result of this study has a number of practical implications for the Addis Ababa hotels in general and Addis Ababa four star hotels in particular.

CRM is an important part of success in today's competitive hotel industry. Based on building customer focus, marketing programs lead to better results.

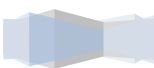
According to the research results, most of the managerial positions are taken by males. The responsible bodies like: ministry of culture and tourism, Addis Ababa culture and tourism bureau and Addis Ababa hotel owners association should provide all the necessary support to increase the involvement of females in managerial positions.

Younger managers and the managers with a higher level of education are more aware of the newer, more customer focused technologies like CRM. The study result also showed most of the managers are new for their current position. That is a good sign for Addis Ababa hotels since younger and better educated managers were the majority for this study, indicating the emergence of the younger generation of managers in the hotel industry.

According to the study 84.4% of managers are younger than 35 years, 84.6% of managers have bachelor degree and above, 64.4% of the managers had an experience of less than 3 years, 82.16% of hotels have less than 150 rooms, 88.9% of hotels are independently managed hotels. The above information is a good indicator as to why almost all of the null hypotheses were accepted. Since they had great similarity in terms of age, education, experience, number of rooms, and management pattern their perception toward CRM couldn't show significant difference and had positive result throughout the study.

Although most of the managers are familiar with CRM and indicate an interest to implement CRM in their hotel since the majority of hotels are smaller and independently managed one might think that they are less likely to invest in these types of technologies and training programs because they have no enough establishments to take advantage of the economies of scale. Therefore; at the level of the Ministry of culture and Tourism or Addis Ababa Culture and Tourism or Addis Ababa Hotel owners association, a program can be designed to make the independent hotel owners and manages more aware of CRM and possibly help them to implement it by subsidizing the high cost of implementation.

Finally; even though Addis Ababa four star hotels were the only target population in this study since different size hotels were included in the study and the operational setting of hotels in general are similar the study may represent hotels in Addis Ababa.



5.3 Recommendation

To hotel managers and developers:

Managing customer relationships was not difficult in earlier times because merchants knew their customers' taste. But as cities grew, companies became larger and people became more mobile, the close relationship between merchants and customers eroded. Nowadays, many companies are working hard to get closer relationships with their customers by capturing internal and external data and analyzing that data to find their customers' needs and preferences.

Customer relationship management related customer strategies are tailoring the physical product and service delivery process to the needs of customers and the preferences of individual customers. These strategies also include developing customized marketing communications at the individual customer level (Haley and Watson, 2002).

Since CRM covers the entire organization, lack of involvement, planning, training and overall leadership may result in failure. To help CRM to succeed in hotels managers and developers should remember four basic tips: First, sharing vision and training the employees are important factors for the success of CRM. Key leaders should discuss the corporate vision of how they want CRM to achieve goals. They should also train their employees and give them more decision-making power. Second, planning on all levels to support and get perspective is another way to have successful CRM. Organizations should get feedback from the staff about their current interaction with customers and their future plans about delivering better service. Third, using data to enhance ROI, which is the other tip for successful CRM, happens by enhancing the guest experience with CRM technology and leveraging marketing strategies. Fourth and finally, measuring constantly and fine-tune strategies helps facilitate better business decisions with regards to CRM.

CRM is not just software, it is also thought of as a cultural change. It might take time for owners, managers and employees to adjust to CRM, but building a case for change, holding regular meetings across all staffs, encouraging them to speak up, supporting the managers leading the CRM, and informing clients about customers as the middle approach may help hotels to smooth the transition.

To regulatory bodies:

An effective CRM effort needs to address three CRM components: First, applications; second, infrastructure; and third, transformation (Goodhue, Wixom, and Watson, 2002).

Even though, hotel managers positively perceive the importance of CRM and it has many potential benefits for the hotels in general and Addis Ababa four star hotels in particular (as well as everywhere else), it still has some limitations for adoption. First, it is expensive for independent hotels to develop infrastructures and maintain a customer database. Second, it is difficult to change an organization's culture, philosophy and existing methods.



According to the study most of the managers are familiar with CRM and indicate an interest to implement CRM in their hotel. However; since the majority of hotels are smaller and independently managed they are less likely to invest in these types of technologies and training programs because they have no enough establishments to take advantage of the economies of scale. Therefore; at the level of the Ministry of culture and Tourism or Addis Ababa Culture and Tourism or Addis Ababa Hotel owners association, a program can be designed to create a detail understanding of CRM adoption and implementation strategies for independent hotel owners and manages and possibly help them to implement it by subsidizing the high cost of implementation.

To educational institutions:

In order to enhance the awareness and effective implementation of CRM the role of hotel and Tourism training institutes can't be underestimated. Therefore; the ministry of education and Addis Ababa education bureau should play a vital role in relation to designing a curriculum to include CRM as a discipline.

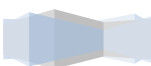
To further researchers:

The field CRM is a new concept and strategy in today competitive market environment. The concept by itself is also very vast and could be implemented across manufacturing and service sectors. However; this study point out only the very limited aspect of the field and the specific segment of hotel sector in a very limited geographical area, which is four star hotels in Addis Ababa. Therefore; numerous further researches could be done in the field in general and in hotels in particular.

This research was purely used quantitative approach to find the result. Therefore; further research could be done using other approaches like exploratory method to find a new result even on the same target population.

5.4 Limitations

The sample size of this research was small it would be great if the sample size was large. The accuracy of fill-out the survey particularly the perception toward importance and performance of CRM section had got some difficulties. The mangers were also too busy to fill out the survey this might had an impact on its accuracy. The last limitation was on the population of the study, that is, this research was limited to four star hotels in Addis Ababa.



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Appendix-I

To: _____

Dear Manager,

First of all I would like to thank you for taking part in my research study on analysis of Perception of Managers toward Customer Relationship Management (CRM) in Addis Ababa Hotels. The purpose of this research is to analyze your perception towards Customer Relationship Management.

Your participation on this study is absolutely voluntary and anonymous. The data collected through this research will be solely used for academic purpose only and will be kept strictly confidential.

If you have any further questions about this study, please contact me, **Eshet Fantahunegn**, a Master of Art Candidate in Addis Ababa University, School of Commerce. Department of Marketing Management, Mobile # 0911-80-06-02, (e-mail: meeteshet@gmail.com).

Thank you for your time and cooperation.

If you need a brief summary of the survey results please contact me with the above address.

Sincerely,

Eshet Fantahunegn
Master of art Student
Addis Ababa University

Mar, 2014

Appendix-II

PART-1

The following set of questions is to get some background information about you. Please check the appropriate boxes for the following questions.

1. Gender: Male Female
2. Age: Less than 25 25 to 35 36 to 45
 46 to 55 56 to 65 66 and above
3. Education: High school graduate TVET College diploma
 Bachelor Post graduate Other (please indicate)

PART-2

The following set of questions is to get some background information about you and your hotel. Please fill in the blanks fields and/or check the appropriate boxes.

- 1) What is your position in the hotel?

- General Manager F&B manager
 Marketing manager Other (Please specify) _____
 Front Office manager

- 2) How long have you held this position? _____ Year _____ month

- 3) For how long have you worked in the present hotel?

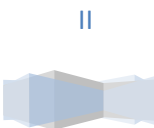
- Under 1 year 2-3 years
 1-2 years 3 years and above

- 4) Your hotel's management pattern (please check one)

- Chain-Franchise Independent
 Chain-Management contract Other (Please specify) _____

- 5) How many rooms in your hotel?

- Less than 25 rooms 26 to 50 rooms
 51 to 99 rooms 100 to 149 rooms
 150 to 199 rooms 200 and above rooms



PART-3

The following questions are to identify the level of agreement of your perceptions toward Customer Relationship management (CRM). Please enter the appropriate number for each statement by using the following scales.

- 1 Strongly disagree (SD)**
- 2 Disagree (D)**
- 3 Neither disagree nor agree (N)**
- 4 Agree (A)**
- 5 Strongly agree (SA)**

		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
1.	Customer trust and commitment enhances business relationships.					
2.	It is important to form close relationships with customers.					
3.	Close relationships with customers bring about improved competitive advantage.					
4.	Forming long-term relationships with customers is highly valued.					
5.	Forming partner-style relationships is too much work with little return.					
6.	Relationship marketing can improve the efficiency of the marketing processes in the hotel.					
7.	Relationship marketing has potential to provide significant benefits for the hotel.					



PART-4

This section is to find out your opinion of the level of importance and the performance of Customer Relationship management (CRM) at your hotel. Please enter the appropriate number for each statement by using the following scales.

Importance of each attribute

1. Not important at all
2. Somewhat important
3. Important
4. Very important
5. Extremely important

Performance of each attribute:

1. Extremely low
2. Very low
3. Low
4. High
5. Very high
6. Extremely high

		Importance Level	Performance Level
	1. Customer Relationship		
1.1	Identifying key customers for building better business relationships.		
1.2	Discerning important customers from not so important ones.		
1.3	Enhancing and building trust and commitment with customers.		
1.4	Initiating and implementing long-term relationships with customers for improved competitive advantage.		
1.5	Analyzing competitors' relationships with their customers.		
1.6	Securing and spending the resources required in building close relationships with key customers.		
1.7	Inquiring about customers' willingness to form personal and close relationships.		
	2. Customer Service Quality		
2.1	Identifying customer satisfaction as the first priority.		
2.2	Customizing service to suite the customers' needs.		
2.3	Managing conflicts and resolving service conflicts with customers.		
	3. Customer Retention		
3.1	Working on customer retention.		
3.2	Maintaining good relationships with customers to improve customer loyalty.		
3.3	Rewarding loyal customers to encourage expanded purchase behavior.		

PART-5

The following questions are to find out your level of satisfaction, possibility of using, recommending and continuing to use Customer Relationship management (CRM). Please check the appropriate box for the following question.

1. How likely would you use CRM?

Very unlikely

Unlikely

Less likely

Likely

Very likely

2. What is your level of satisfaction towards CRM?

Very dissatisfied

Dissatisfied

Neutral

Satisfied

Very satisfied

3. How likely would you continue to use CRM?

Very unlikely

Unlikely

Less likely

Likely

Very likely

4. How likely would you recommend CRM for other hotel managers?

Very unlikely

Unlikely

Less likely

Likely

Very likely

PART-6

Customer relationship management (CRM) technology consists of software applications and information systems. These capture and analyze customer data, automate, and integrate marketing, sales, and customer service. This section is to find out your familiarity with Customer Relationship Management and likelihood of implementing CRM at your hotel in the future. Please check the appropriate boxes for the following questions.

1. How familiar are you with CRM?

Not familiar

A little familiar

somewhat familiar

Familiar

Very familiar

2. Please indicate the level of likelihood of implementing CRM at your hotel:

Very unlikely

Unlikely

Less likely

Likely

Very likely

Thank you for taking your valuable time to respond this questionnaire.



Appendix-III: Tables

Table-1: Managers’ perception towards CRM and their position

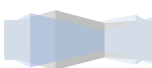
Dependent Variable	(I) What is your position in the hotel	(J) What is your position in the hotel	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
Customer trust and commitment enhance business relationships	General manager	Marketing manager	.200	.474	.993	-1.15	1.55	
		Front office manager	.143	.443	.998	-1.12	1.41	
		F&B manager	.167	.456	.996	-1.14	1.47	
		Others	.391	.383	.844	-.70	1.48	
	Marketing manager	General manager	-.200	.474	.993	-1.55	1.15	
		Front office manager	-.057	.414	1.000	-1.24	1.12	
		F&B manager	-.033	.428	1.000	-1.26	1.19	
		Others	.191	.349	.981	-.80	1.19	
	Front office manager	General manager	-.143	.443	.998	-1.41	1.12	
		Marketing manager	.057	.414	1.000	-1.12	1.24	
		F&B manager	.024	.393	1.000	-1.10	1.15	
		Others	.248	.305	.925	-.62	1.12	
	F&B manager	General manager	-.167	.456	.996	-1.47	1.14	
		Marketing manager	.033	.428	1.000	-1.19	1.26	
		Front office manager	-.024	.393	1.000	-1.15	1.10	
		Others	.225	.324	.957	-.70	1.15	
	Others	General manager	-.391	.383	.844	-1.48	.70	
		Marketing manager	-.191	.349	.981	-1.19	.80	
		Front office manager	-.248	.305	.925	-1.12	.62	
		F&B manager	-.225	.324	.957	-1.15	.70	
	It is important to form close relationships with customers	General manager	Marketing manager	.350	.411	.913	-.82	1.52
			Front office manager	-.107	.384	.999	-1.20	.99
			F&B manager	.417	.395	.829	-.71	1.55
			Others	.054	.332	1.000	-.89	1.00
Marketing manager		General manager	-.350	.411	.913	-1.52	.82	
		Front office manager	-.457	.359	.708	-1.48	.57	
		F&B manager	.067	.371	1.000	-.99	1.13	
		Others	-.296	.302	.863	-1.16	.57	
Front office manager		General manager	.107	.384	.999	-.99	1.20	
		Marketing manager	.457	.359	.708	-.57	1.48	
		F&B manager	.524	.341	.545	-.45	1.50	
		Others	.161	.264	.973	-.59	.92	
F&B manager		General manager	-.417	.395	.829	-1.55	.71	
		Marketing manager	-.067	.371	1.000	-1.13	.99	
		Front office manager	-.524	.341	.545	-1.50	.45	
		Others	-.362	.281	.699	-1.16	.44	
Others		General manager	-.054	.332	1.000	-1.00	.89	
		Marketing manager	.296	.302	.863	-.57	1.16	
		Front office manager	-.161	.264	.973	-.92	.59	
		F&B manager	.362	.281	.699	-.44	1.16	
General manager		Marketing manager	-.050	.459	1.000	-1.36	1.26	
		Front office manager	.036	.429	1.000	-1.19	1.26	
		F&B manager	.750	.442	.446	-.51	2.01	
		Others	.228	.371	.972	-.83	1.29	
Marketing manager	General manager	.050	.459	1.000	-1.26	1.36		
	Front office manager	.086	.401	1.000	-1.06	1.23		
	F&B manager	.800	.414	.318	-.38	1.98		
	Others	.278	.338	.922	-.69	1.24		
Front office manager	General manager	-.036	.429	1.000	-1.26	1.19		
	Marketing manager	-.086	.401	1.000	-1.23	1.06		
	F&B manager	.714	.381	.346	-.37	1.80		
	Others	.193	.295	.965	-.65	1.04		
F&B manager	General manager	-.750	.442	.446	-2.01	.51		
	Marketing manager	-.800	.414	.318	-1.98	.38		
	Front office manager	-.714	.381	.346	-1.80	.37		
	Others	-.522	.314	.467	-1.42	.37		
Others	General manager	-.228	.371	.972	-1.29	.83		
	Marketing manager	-.278	.338	.922	-1.24	.69		
	Front office manager	-.193	.295	.965	-1.04	.65		
	F&B manager	.522	.314	.467	-.37	1.42		
General manager	Marketing manager	.000	.257	1.000	-.73	.73		
	Front office manager	.286	.240	.757	-.40	.97		
	F&B manager	.000	.247	1.000	-.71	.71		
	Others	.261	.207	.718	-.33	.85		
Marketing manager	General manager	.000	.257	1.000	-.73	.73		
	Front office manager	.286	.240	.757	-.40	.97		
	F&B manager	.000	.247	1.000	-.71	.71		
	Others	.261	.207	.718	-.33	.85		
Forming long term relationships with customers is highly valued	Marketing manager	General manager	.000	.257	1.000	-.73	.73	
		Front office manager	.286	.240	.757	-.40	.97	
		F&B manager	.000	.247	1.000	-.71	.71	
		Others	.261	.207	.718	-.33	.85	

	Others	.261	.189	.643	-.28	.80
	General manager	-.286	.240	.757	-.97	.40
	Marketing manager	-.286	.224	.708	-.93	.35
Front office manager	F&B manager	-.286	.213	.668	-.89	.32
	Others	-.025	.165	1.000	-.50	.45
	General manager	.000	.247	1.000	-.71	.71
F&B manager	Marketing manager	.000	.232	1.000	-.66	.66
	Front office manager	.286	.213	.668	-.32	.89
	Others	.261	.176	.577	-.24	.76
	General manager	-.261	.207	.718	-.85	.33
	Marketing manager	-.261	.189	.643	-.80	.28
Others	Front office manager	.025	.165	1.000	-.45	.50
	F&B manager	-.261	.176	.577	-.76	.24
	Marketing manager	-1.500	.749	.283	-3.64	.64
General manager	Front office manager	-1.786	.700	.099	-3.78	.21
	F&B manager	-.667	.721	.886	-2.73	1.39
	Others	-1.370	.605	.178	-3.10	.36
	General manager	1.500	.749	.283	-.64	3.64
Marketing manager	Front office manager	-.286	.654	.992	-2.15	1.58
	F&B manager	.833	.676	.733	-1.10	2.76
	Others	.130	.551	.999	-1.44	1.70
Forming partner style relationships is too much work with little return	General manager	1.786	.700	.099	-.21	3.78
	Marketing manager	.286	.654	.992	-1.58	2.15
	Front office manager	1.119	.621	.387	-.66	2.89
	F&B manager	.416	.482	.908	-.96	1.79
	Others	.667	.721	.886	-1.39	2.73
	General manager	-.833	.676	.733	-2.76	1.10
F&B manager	Marketing manager	-.833	.676	.733	-2.76	1.10
	Front office manager	-1.119	.621	.387	-2.89	.66
	Others	-.703	.512	.648	-2.16	.76
	General manager	1.370	.605	.178	-.36	3.10
	Marketing manager	-.130	.551	.999	-1.70	1.44
Others	Front office manager	-.416	.482	.908	-1.79	.96
	F&B manager	.703	.512	.648	-.76	2.16
	Marketing manager	-.350	.475	.947	-1.71	1.01
General manager	Front office manager	-.750	.444	.452	-2.02	.52
	F&B manager	.083	.457	1.000	-1.22	1.39
	Others	.076	.384	1.000	-1.02	1.17
	General manager	.350	.475	.947	-1.01	1.71
Marketing manager	Front office manager	-.400	.415	.870	-1.59	.79
	F&B manager	.433	.429	.849	-.79	1.66
	Others	.426	.350	.741	-.57	1.42
	General manager	.750	.444	.452	-.52	2.02
Relationship marketing can improve the efficiency of the marketing processes in the hotel	Marketing manager	.400	.415	.870	-.79	1.59
	Front office manager	.833	.394	.234	-.29	1.96
	F&B manager	.826	.306	.072	-.05	1.70
	Others	-.083	.457	1.000	-1.39	1.22
	General manager	-.433	.429	.849	-1.66	.79
F&B manager	Marketing manager	-.433	.429	.849	-1.66	.79
	Front office manager	-.833	.394	.234	-1.96	.29
	Others	-.007	.325	1.000	-.94	.92
	General manager	-.076	.384	1.000	-1.17	1.02
	Marketing manager	-.426	.350	.741	-1.42	.57
Others	Front office manager	-.826	.306	.072	-1.70	.05
	F&B manager	.007	.325	1.000	-.92	.94
	Marketing manager	.100	.350	.998	-.90	1.10
General manager	Front office manager	-.500	.327	.552	-1.44	.44
	F&B manager	.000	.337	1.000	-.96	.96
	Others	.152	.283	.983	-.66	.96
	General manager	-.100	.350	.998	-1.10	.90
Marketing manager	Front office manager	-.600	.306	.303	-1.47	.27
	F&B manager	-.100	.316	.998	-1.00	.80
	Others	.052	.258	1.000	-.68	.79
	General manager	.500	.327	.552	-.44	1.44
Relationship marketing has potential to provide significant benefits for the hotel	Marketing manager	.600	.306	.303	-.27	1.47
	Front office manager	.500	.291	.434	-.33	1.33
	F&B manager	.652	.226	.046	.01	1.30
	Others	.000	.337	1.000	-.96	.96
	General manager	.100	.316	.998	-.80	1.00
F&B manager	Marketing manager	.100	.316	.998	-.80	1.00
	Front office manager	-.500	.291	.434	-1.33	.33
	Others	.152	.239	.968	-.53	.84
	General manager	-.152	.283	.983	-.96	.66
	Marketing manager	-.052	.258	1.000	-.79	.68
Others	Front office manager	-.652	.226	.046	-1.30	-.01
	F&B manager	-.152	.239	.968	-.84	.53

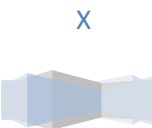
* The mean difference is significant at the 0.05 level.

Table-2: Managers’ perception towards CRM and their experience on the current position

Dependent Variable	(I) How long have you hold this position year and month	(J) How long have you hold this position year and month	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
Customer trust and commitment enhance business relationships		1 to 2 years	.188	.306	.928	-.63	1.01	
	under 1 year	2 to 3 years	.213	.362	.936	-.76	1.18	
		above 3 years	.063	.250	.994	-.61	.73	
		under 1 year	-.188	.306	.928	-1.01	.63	
	1 to 2 years	2 to 3 years	.025	.403	1.000	-1.05	1.10	
		above 3 years	-.125	.306	.977	-.95	.70	
		under 1 year	-.213	.362	.936	-1.18	.76	
	2 to 3 years	1 to 2 years	-.025	.403	1.000	-1.10	1.05	
		above 3 years	-.150	.362	.976	-1.12	.82	
		under 1 year	-.063	.250	.994	-.73	.61	
		above 3 years	1 to 2 years	.125	.306	.977	-.70	.95
		2 to 3 years	.150	.362	.976	-.82	1.12	
It is important to form close relationships with customers		1 to 2 years	.063	.268	.995	-.66	.78	
	under 1 year	2 to 3 years	-.237	.317	.877	-1.09	.61	
		above 3 years	-.188	.219	.827	-.77	.40	
		under 1 year	-.063	.268	.995	-.78	.66	
	1 to 2 years	2 to 3 years	-.300	.353	.830	-1.25	.65	
		above 3 years	-.250	.268	.788	-.97	.47	
		under 1 year	.237	.317	.877	-.61	1.09	
	2 to 3 years	1 to 2 years	.300	.353	.830	-.65	1.25	
		above 3 years	.050	.317	.999	-.80	.90	
		under 1 year	.188	.219	.827	-.40	.77	
		above 3 years	1 to 2 years	.250	.268	.788	-.47	.97
		2 to 3 years	-.050	.317	.999	-.90	.80	
Close relationship with customers bring about improved competitive		1 to 2 years	.063	.305	.997	-.75	.88	
	under 1 year	2 to 3 years	-.362	.361	.748	-1.33	.60	



advantage		above 3 years	-1.88	.249	.875	-.85	.48	
		under 1 year	-.063	.305	.997	-.88	.75	
	1 to 2 years	2 to 3 years	-.425	.402	.717	-1.50	.65	
		above 3 years	-.250	.305	.845	-1.07	.57	
		under 1 year	.362	.361	.748	-.60	1.33	
	2 to 3 years	1 to 2 years	.425	.402	.717	-.65	1.50	
		above 3 years	.175	.361	.962	-.79	1.14	
		under 1 year	.188	.249	.875	-.48	.85	
	above 3 years	1 to 2 years	.250	.305	.845	-.57	1.07	
		2 to 3 years	-.175	.361	.962	-1.14	.79	
		1 to 2 years	-.188	.166	.675	-.63	.26	
	under 1 year	2 to 3 years	-.112	.197	.940	-.64	.41	
		above 3 years	-.250	.136	.269	-.61	.11	
		under 1 year	.188	.166	.675	-.26	.63	
	1 to 2 years	2 to 3 years	.075	.219	.986	-.51	.66	
	Forming long term relationships with customers is highly valued		above 3 years	-.063	.166	.982	-.51	.38
			under 1 year	.112	.197	.940	-.41	.64
		2 to 3 years	1 to 2 years	-.075	.219	.986	-.66	.51
		above 3 years	-.138	.197	.897	-.66	.39	
		under 1 year	.250	.136	.269	-.11	.61	
above 3 years		1 to 2 years	.063	.166	.982	-.38	.51	
		2 to 3 years	.138	.197	.897	-.39	.66	
		1 to 2 years	-.125	.513	.995	-1.50	1.25	
under 1 year		2 to 3 years	-.125	.607	.997	-1.75	1.50	
		above 3 years	.500	.419	.634	-.62	1.62	
		under 1 year	.125	.513	.995	-1.25	1.50	
1 to 2 years		2 to 3 years	.000	.675	1.000	-1.81	1.81	
		above 3 years	.625	.513	.619	-.75	2.00	
		under 1 year	.125	.607	.997	-1.50	1.75	
2 to 3 years		1 to 2 years	.000	.675	1.000	-1.81	1.81	
		above 3 years	.625	.607	.733	-1.00	2.25	



		under 1 year		-500	.419	.634	-1.62	.62
	above 3 years	1 to 2 years		-.625	.513	.619	-2.00	.75
		2 to 3 years		-.625	.607	.733	-2.25	1.00
		1 to 2 years		.250	.323	.866	-.62	1.12
	under 1 year	2 to 3 years		-.425	.383	.685	-1.45	.60
		above 3 years		.063	.264	.995	-.64	.77
		under 1 year		-.250	.323	.866	-1.12	.62
	1 to 2 years	2 to 3 years		-.675	.426	.398	-1.81	.46
		above 3 years		-.188	.323	.938	-1.05	.68
		under 1 year		.425	.383	.685	-.60	1.45
	2 to 3 years	1 to 2 years		.675	.426	.398	-.46	1.81
		above 3 years		.487	.383	.584	-.54	1.51
		under 1 year		-.063	.264	.995	-.77	.64
	above 3 years	1 to 2 years		.188	.323	.938	-.68	1.05
		2 to 3 years		-.487	.383	.584	-1.51	.54
		1 to 2 years		.000	.238	1.000	-.64	.64
	under 1 year	2 to 3 years		-.425	.281	.441	-1.18	.33
		above 3 years		-.188	.194	.769	-.71	.33
		under 1 year		.000	.238	1.000	-.64	.64
	1 to 2 years	2 to 3 years		-.425	.313	.533	-1.26	.41
		above 3 years		-.188	.238	.859	-.82	.45
		under 1 year		.425	.281	.441	-.33	1.18
	2 to 3 years	1 to 2 years		.425	.313	.533	-.41	1.26
		above 3 years		.237	.281	.833	-.52	.99
		under 1 year		.188	.194	.769	-.33	.71
	above 3 years	1 to 2 years		.188	.238	.859	-.45	.82
		2 to 3 years		-.237	.281	.833	-.99	.52

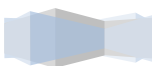


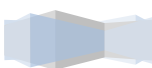
Table-3: Importance of RM and the managers' education level:

Dependent Variable	(I) Education level of the respondent	(J) Education level of the respondent	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Identifying key customers for building better business relationship	College diploma	Bachelor	-.486	.378	.412	-1.40	.43
		Post graduate	-.857	.630	.371	-2.39	.67
	Bachelor	College diploma	.486	.378	.412	-.43	1.40
		Post graduate	-.371	.549	.779	-1.71	.96
Discerning important customers from not so important ones	Post graduate	College diploma	.857	.630	.371	-.67	2.39
		Bachelor	.371	.549	.779	-.96	1.71
	College diploma	Bachelor	1.114	.712	.272	-.62	2.84
		Post graduate	-.333	1.187	.957	-3.22	2.55
Enhancing and building trust and commitment with customers	Bachelor	College diploma	-1.114	.712	.272	-2.84	.62
		Post graduate	-1.448	1.035	.350	-3.96	1.07
	Post graduate	College diploma	.333	1.187	.957	-2.55	3.22
		Bachelor	1.448	1.035	.350	-1.07	3.96
Initiating and implementing long term relationships with customers for improved competitive advantage	College diploma	Bachelor	-.086	.456	.981	-1.19	1.02
		Post graduate	-.286	.761	.925	-2.13	1.56
	Bachelor	College diploma	.086	.456	.981	-1.02	1.19
		Post graduate	-.200	.663	.951	-1.81	1.41
Analyzing competitors' relationships with their customers	Post graduate	College diploma	.286	.761	.925	-1.56	2.13
		Bachelor	.200	.663	.951	-1.41	1.81
	College diploma	Bachelor	-.029	.316	.995	-.80	.74
		Post graduate	-.143	.526	.960	-1.42	1.13
Securing and spending the resources required in building close relationships with key customers	Bachelor	College diploma	.029	.316	.995	-.74	.80
		Post graduate	-.114	.459	.966	-1.23	1.00
	Post graduate	College diploma	.143	.526	.960	-1.13	1.42
		Bachelor	.114	.459	.966	-1.00	1.23
Inquiring about customers' willingness to form personal and close relationships	College diploma	Bachelor	-.886	.561	.266	-2.25	.48
		Post graduate	-1.095	.935	.476	-3.37	1.18
	Bachelor	College diploma	.886	.561	.266	-.48	2.25
		Post graduate	-.210	.815	.964	-2.19	1.77
Identifying customer satisfactions the first priority	Post graduate	College diploma	1.095	.935	.476	-1.18	3.37
		Bachelor	.210	.815	.964	-1.77	2.19
	College diploma	Bachelor	.800	.530	.296	-.49	2.09
		Post graduate	.143	.883	.986	-2.00	2.29
Customizing service to suite the customers' needs	Bachelor	College diploma	-.800	.530	.296	-2.09	.49
		Post graduate	-.657	.770	.672	-2.53	1.21
	Post graduate	College diploma	-.143	.883	.986	-2.29	2.00
		Bachelor	.657	.770	.672	-1.21	2.53
Managing conflicts and resolving service conflicts with customers	College diploma	Bachelor	.686	.726	.615	-1.08	2.45
		Post graduate	-.238	1.210	.979	-3.18	2.70
	Bachelor	College diploma	-.686	.726	.615	-2.45	1.08
		Post graduate	-.924	1.055	.658	-3.49	1.64
Working on customer retention	Post graduate	College diploma	.238	1.210	.979	-2.70	3.18
		Bachelor	.924	1.055	.658	-1.64	3.49
	College diploma	Bachelor	-.400	.376	.542	-1.31	.51
		Post graduate	-.571	.627	.636	-2.09	.95
Working on customer retention	Bachelor	College diploma	.400	.376	.542	-.51	1.31
		Post graduate	-.171	.547	.947	-1.50	1.16
	Post graduate	College diploma	.571	.627	.636	-.95	2.09
		Bachelor	.171	.547	.947	-1.16	1.50
Working on customer retention	College diploma	Bachelor	-.543	.507	.538	-1.77	1.77
		Post graduate	-.524	.846	.810	-2.58	1.53
	Bachelor	College diploma	.543	.507	.538	-.69	1.78
		Post graduate	.019	.737	1.000	-1.77	1.81
Working on customer retention	Post graduate	College diploma	.524	.846	.810	-1.53	2.58
		Bachelor	-.019	.737	1.000	-1.81	1.77
	College diploma	Bachelor	-.314	.678	.889	-1.96	1.33
		Post graduate	.524	1.129	.889	-2.22	3.27
Working on customer retention	Bachelor	College diploma	.314	.678	.889	-1.33	1.96
		Post graduate	.838	.985	.674	-1.55	3.23
	Post graduate	College diploma	-.524	1.129	.889	-3.27	2.22
		Bachelor	-.838	.985	.674	-3.23	1.55
Working on customer retention	College diploma	Bachelor	-1.029	.651	.265	-2.61	.55
		Post graduate	-.857	1.085	.711	-3.49	1.78

Maintaining good relationships with customers to improve customer loyalty	Bachelor	College diploma	1.029	.651	.265		-55	2.61
		Post graduate	.171	.946	.982		-2.13	2.47
	Post graduate	College diploma	.857	1.085	.711		-1.78	3.49
		Bachelor	-.171	.946	.982		-2.47	2.13
	College diploma	Bachelor	.543	.446	.450		-.54	1.63
		Post graduate	.619	.744	.685		-1.19	2.43
	Bachelor	College diploma	-.543	.446	.450		-1.63	.54
		Post graduate	.076	.648	.992		-1.50	1.65
	Post graduate	College diploma	-.619	.744	.685		-2.43	1.19
		Bachelor	-.076	.648	.992		-1.65	1.50
	College diploma	Bachelor	-.286	.417	.774		-1.30	.73
		Post graduate	-.048	.696	.997		-1.74	1.64
Rewarding loyal customers to encourage expanded purchase behavior	Bachelor	College diploma	.286	.417	.774		-.73	1.30
		Post graduate	.238	.606	.919		-1.24	1.71
	Post graduate	College diploma	.048	.696	.997		-1.64	1.74
		Bachelor	-.238	.606	.919		-1.71	1.24

Table-4: Performance of CRM and the managers' education level

Dependent Variable	(I) Education level of the respondent	(J) Education level of the respondent	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Identifying key customers for building better business relationship	College diploma	Bachelor	1.086	.627	.205	-.44	2.61
		Post graduate	2.048	1.045	.135	-.49	4.59
	Bachelor	College diploma	-1.086	.627	.205	-2.61	.44
		Post graduate	.962	.911	.546	-1.25	3.17
	Post graduate	College diploma	-2.048	1.045	.135	-4.59	.49
		Bachelor	-.962	.911	.546	-3.17	1.25
Discerning important customers from not so important ones	College diploma	Bachelor	2.371*	.778	.011	.48	4.26
		Post graduate	2.524	1.297	.138	-.63	5.67
	Bachelor	College diploma	-2.371*	.778	.011	-4.26	-.48
		Post graduate	.152	1.130	.990	-2.59	2.90
	Post graduate	College diploma	-2.524	1.297	.138	-5.67	.63
		Bachelor	-.152	1.130	.990	-2.90	2.59
Enhancing and building trust and commitment with customers	College diploma	Bachelor	1.029	.667	.282	-.59	2.65
		Post graduate	1.476	1.112	.388	-1.23	4.18
	Bachelor	College diploma	-1.029	.667	.282	-2.65	.59
		Post graduate	.448	.969	.889	-1.91	2.80
	Post graduate	College diploma	-1.476	1.112	.388	-4.18	1.23
		Bachelor	-.448	.969	.889	-2.80	1.91
Initiating and implementing long term relationships with customers for improved competitive advantage	College diploma	Bachelor	1.343	.617	.087	-.15	2.84
		Post graduate	2.476	1.028	.052	-.02	4.97
	Bachelor	College diploma	-1.343	.617	.087	-2.84	.15
		Post graduate	1.133	.896	.422	-1.04	3.31
	Post graduate	College diploma	-2.476	1.028	.052	-4.97	.02
		Bachelor	-1.133	.896	.422	-3.31	1.04
Analyzing competitors' relationships with their customers	College diploma	Bachelor	.571	.821	.767	-1.42	2.57
		Post graduate	1.667	1.369	.450	-1.66	4.99
	Bachelor	College diploma	-.571	.821	.767	-2.57	1.42
		Post graduate	1.095	1.193	.632	-1.80	3.99
	Post graduate	College diploma	-1.667	1.369	.450	-4.99	1.66
		Bachelor	-1.095	1.193	.632	-3.99	1.80
Securing and spending the resources required in building close relationships with key customers	College diploma	Bachelor	.714	.702	.570	-.99	2.42
		Post graduate	1.619	1.170	.358	-1.22	4.46
	Bachelor	College diploma	-.714	.702	.570	-2.42	.99
		Post graduate	.905	1.020	.651	-1.57	3.38
	Post graduate	College diploma	-1.619	1.170	.358	-4.46	1.22
		Bachelor	-.905	1.020	.651	-3.38	1.57
Inquiring about customers' willingness	College diploma	Bachelor	1.629	.811	.123	-.34	3.60
		Post graduate	1.857	1.351	.363	-1.43	5.14



to form personal and close relationships	Bachelor	College diploma	-1.629	.811	.123	-3.60	.34
		Post graduate	.229	1.178	.979	-2.63	3.09
Identifying customer satisfactions the first priority	Post graduate	College diploma	-1.857	1.351	.363	-5.14	1.43
		Bachelor	-.229	1.178	.979	-3.09	2.63
	College diploma	Bachelor	.886	.713	.435	-.85	2.62
		Post graduate	1.714	1.188	.328	-1.17	4.60
	Bachelor	College diploma	-.886	.713	.435	-2.62	.85
		Post graduate	.829	1.035	.705	-1.69	3.34
Customizing service to suite the customers' needs	Post graduate	College diploma	-1.714	1.188	.328	-4.60	1.17
		Bachelor	-.829	1.035	.705	-3.34	1.69
	College diploma	Bachelor	.857	.695	.441	-.83	2.55
		Post graduate	1.381	1.159	.464	-1.43	4.20
	Bachelor	College diploma	-.857	.695	.441	-2.55	.83
		Post graduate	.524	1.010	.863	-1.93	2.98
Managing conflicts and resolving service conflicts with customers	Post graduate	College diploma	-1.381	1.159	.464	-4.20	1.43
		Bachelor	-.524	1.010	.863	-2.98	1.93
	College diploma	Bachelor	1.257	.765	.239	-.60	3.12
		Post graduate	1.762	1.275	.359	-1.34	4.86
	Bachelor	College diploma	-1.257	.765	.239	-3.12	.60
		Post graduate	.505	1.111	.893	-2.20	3.20
Working on customer retention	Post graduate	College diploma	-1.762	1.275	.359	-4.86	1.34
		Bachelor	-.505	1.111	.893	-3.20	2.20
	College diploma	Bachelor	.114	.789	.988	-1.80	2.03
		Post graduate	1.571	1.314	.462	-1.62	4.76
	Bachelor	College diploma	-.114	.789	.988	-2.03	1.80
		Post graduate	1.457	1.146	.419	-1.33	4.24
Maintaining good relationships with customers to improve customer loyalty	Post graduate	College diploma	-1.571	1.314	.462	-4.76	1.62
		Bachelor	-1.457	1.146	.419	-4.24	1.33
	College diploma	Bachelor	.543	.446	.450	-.54	1.63
		Post graduate	.619	.744	.685	-1.19	2.43
	Bachelor	College diploma	-.543	.446	.450	-1.63	.54
		Post graduate	.076	.648	.992	-1.50	1.65
Rewarding loyal customers to encourage expanded purchase behavior	Post graduate	College diploma	-.619	.744	.685	-2.43	1.19
		Bachelor	-.076	.648	.992	-1.65	1.50
	College diploma	Bachelor	-.286	.417	.774	-1.30	.73
		Post graduate	-.048	.696	.997	-1.74	1.64
	Bachelor	College diploma	.286	.417	.774	-.73	1.30
		Post graduate	.238	.606	.919	-1.24	1.71
	College diploma	.048	.696	.997	-1.64	1.74	
	Bachelor	-.238	.606	.919	-1.71	1.24	

*. The mean difference is significant at the 0.05 level.

