The research process consists of following steps:-

- *DEFINING THE RESEARCH PROBLEM AND RESEARCH OBJECTIVES*
  The definition of the problem includes the study of the topic "Customer Relationship Management in the Hotel Industry".

- *DEVELOPING THE RESEARCH PLAN*

  Data Source:

  The type of data taken into consideration for this topic is the **Secondary data**. It is that data which somebody else had collected and which had already been passed through the statistical process. It was collected from hotel tariff cards, magazines, newspapers, articles, and internet and company records.

- *ANALYZE THE INFORMATION*
  The next step is to extract the pertinent findings from the collected data. In this project, the collected data is presented as the CRM practices followed by each hotel covered in the study.

<u>Limitations of the Study:-</u>

- Due to the availability of only secondary data, authentication of the data is not sure.

- Since the authentication of the data is not sure, the result of the project may not be precise.

- Customer relationship management is in itself a complex topic; therefore, there may be certain mistakes in the assumption.

Chapter # 5. Findings/Research

1. ITC GROUP OF HOTELS

ITC MAURYA SHERATON DEFINES CRM AS:

"Customer Relationship Management is a process of managing customer relations in an organized way".   They aim at managing each "Moment Of Truth" that is experienced by the customer.

There are various contact points where the hotel comes in direct contact with the customer which are known as 'Touch points' in the CRM language. These touch points are considered important as there is direct interaction with the customer and they provide valuable input to the hotel. The input provided by the customer has to be captured in such a way that it becomes information and can be used by various processes within the hotel.   This can be done with the help of technology and the aim is that whenever there is a customer interface with any of those processes they are able to use that information in servicing the guest in a most efficient manner.

Customer Service is now more fashionably called Customer Relationship Management. ITC Maurya Sheraton has been following an unstructured form of CRM with a narrow focus of serving the customer well and in a most efficient manner.   The concept of Customer Relationship Management has a broader focus of not only serving the customer but also creating the customer and retaining him for measurable and substantial returns. CRM is a vast subject where the concept of one to one marketing is supported by Database Marketing.

CRM process at ITC Maurya Sheraton has been divided in 2 steps:-

1. Identification of all Customer Relationship management 'vehicles'
2. Integration of these Customer Relationship management 'vehicles'

DATA CAPTURE VEHICLES

Maurya Sheraton has identified 5 such vehicles (from marketing point of view) which are also the touch points for the hotel in the process of managing its Customer Relationship. These vehicles are:-

o Field selling
o Loyalty Programs
o Distribution Points
o Web
o Call Centers

Field Selling

When a sales group or a marketing executive of the hotel makes a sales call to a corporate, then it is called Field Selling. Field Selling includes Prospecting which means searching and seeking for new customers. Current Accounts are one of the best sources to uncover new business that is within these current accounts, as they harbor many sources of untapped business potential. They also provide Leads and referrals. Leads are potential customers with whom no contact has yet been made and learning of potential customers from current customers is called Referral. Field selling is considered the most important vehicle for the CRM function as the initiative is on the part of the hotel to contact the prospective guest. Since the representative of the hotel meets the customer personally, he is able to strike a chord instantly and has a fair chance of representing the hotel. The difference between the customer and consumer is apparent at this stage as, the person who uses the hotel is a consumer (guest) and the person who helps him make this choice is the customer (link), this link, in most cases, is the administration personnel who are responsible for making reservations. So with the help of field selling, the executive is able to make a direct contact with the 'link', the administration person and is able to take the feedback on a continuous basis and helps to customize the offering. The main objective of this is to maintain 'one to one' contact with the customer on a regular basis and also to maintain reasonable visibility so that whenever there is a requirement, the hotel is the most obvious alternative for the customer to consider.

Loyalty Programs

Second vehicle for CRM identified by Maurya Sheraton are the Loyalty Programs. These programs are designed to reward the loyal guests of the hotel.   Every time a guest checks in the hotel at his every touch point or interface with the hotel, every time he spends on a service provided by the hotel (use of Room, Restaurant, Laundry, Telephones etc.), the transaction is recorded at each individual point and is added to the final bill presented to the guest at the end of the stay. There are certain points attached to the number of rupees spent by the guest. Therefore higher the amount of the bill, the higher will be the number of points attained by the guest. These points are credited to the account of each guest with the help of technology. These are called Loyalty points. These accounts having the loyalty points are unique to every guest. Therefore, whenever after the first time that guest checks into the hotels, the guest history also affects the loyalty points. The higher the number of points, more loyal is the guest. The points can be redeemed by the guest for either free stays at the hotel or free gifts as listed by the hotel or free meals depending upon the number of points accumulated.

The objective of having a loyalty programme is not only to make the guest feel rewarded for his stay but also providing a chance to the guest to reduce them at the hotel, they essentially "gross self" the other services which would be used & paid by the guest. In case he redeemed (for example) his points for a free stay, he would spend on the supporting services like laundry, telephones, restaurants etc. and the revenue generated from these could be earned by the hotel.   Therefore, instead of loss of revenue by providing free stay, they actually gain the revenue as well as certain customers for life with the help of the loyalty. The Loyalty Program is called welcome avail which is for the consumer. They have another loyalty programme for the link. The administration personnel, who is called welcome link, is motivated to provide more business to the hotel. Therefore, the more the number of bookings the links gives to the hotel, the more number of points are credited to his accounts which are again redeemable at the hotel either by way of free stay or gifts. This is seen as an important way to keep the source of business motivated towards a long term relationship.

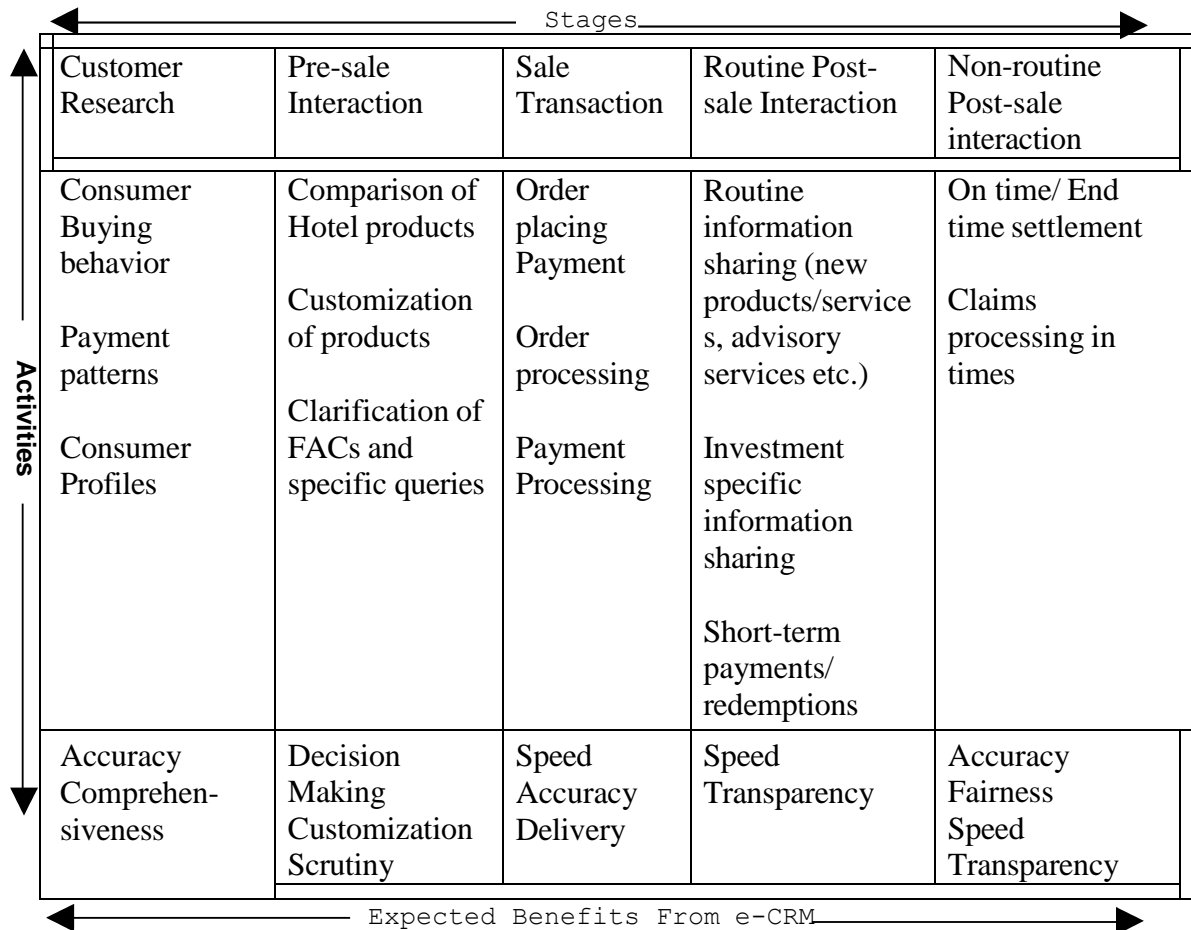### *Distribution Points/ Central Reservation System*

A customer can simply make a call at the reservation centre to make a booking with the hotel. It sounds simple but it could get complex in case he does not receive the expected or the desired response. Therefore, Maurya Sheraton sees this distribution point as an opportunity to establish CRM as the respondents at the reservation centre could   turn a prospective customer into a 'sale' or could let go off the opportunity to do so by not

being polite enough or not giving out the information as desired by the guest. The information regarding all guest reservations is managed through computer software, therefore, when a customer make calls to query about a reservation, all his hotel usage history pops up in the system which gives a chance to the executive at the reservations to   instantly recognize the customer and address him by his   name. This moment of truth is experienced by the customer with a feeling of recognition and feels it as good service at the first touch point itself. The input or instruction received from the customer at the stage is recorded in the reservation system for further reference by the hotel operations. Therefore the wheel does not get reinvented every time a standard instruction is to be followed. This leads to removal of an irritant and that ultimately leads to a satisfied customer willing to return.

World Wide Web

The World Wide Web is part of the internet. It is a computerized, interactive, multimedia system to import and/or access information world wide. It is used for both personal and business purposes. But ITC Maurya's focus is on the business side of using the web.   In hospitality, there are several avenues that one can take up to set up a web site to share information and do business with a potential customer. Since the web gives a convenience and allows the access to information at any time, it is considered as one of the vehicles for CRM. Though Maurya recognizes the potential of this system and is in the process of evolving a filing automated system where the reservations can be made by the customers on time and also the confirmation is received back on a real time basis. Presently they have an information portal which only allows the customer to request a reservation which has to be checked manually by the hotel reservations and then only the confirmations are given.   This is a touch point of customer relationship because a speedy and accurate response could win you a customer. And since it is on an individual basis, it is more personalized and customized because the customer puts in his preferences when requesting a booking.   Therefore, once it is entered in to the hotel's data base the customer does not have to repeat his preference as they are automatically suggested by the reservation form on the net.

VALUE CHAIN OF CUSTOMER INTERACTION IN HOTEL INDUSTRY
AND POSSIBLE BENEFITS OF e-crm

Stages ⟶

Customer Research	Pre-sale Interaction	Sale Transaction	Routine Post-sale Interaction	Non-routine Post-sale interaction
Consumer Buying behavior Payment patterns Consumer Profiles	Comparison of Hotel products Customization of products Clarification of FACs and specific queries	Order placing Payment Order processing Payment Processing	Routine information sharing (new products/services, advisory services etc.) Investment specific information sharing Short-term payments/ redemptions	On time/ End time settlement Claims processing in times
Accuracy Comprehen-siveness	Decision Making Customization Scrutiny	Speed Accuracy Delivery	Speed Transparency	Accuracy Fairness Speed Transparency

(left margin label: **Activities**)

⟵ Expected Benefits From e-CRM ⟶

Source : Raghunath S., Joseph Shields (2001, "Introduction of e-CRM in Indian Hotel Industry, CRM – Emerging concepts, Tata McGraw Hill,).

Call Centers

ITC Maurya has a Call center dedicated to servicing the loyalty programme members.   Here the customers can call in and find out about any information related to their membership. Whether query relates to accumulation or redemption of points, it can be accessed through these centers.   This facility has been outsourced by Maurya and is out of the premises of the hotel.   This has been done to service the quest in a most personalized and efficient manner. Call centers can now even be accessed via e-mail as it is the most cost effective and time effective way of accessing

information. Call centers are seen as CRM touch point because they usually provide solution to a problem that is being faced by a customer. Therefore the intangibles of listening, understanding and providing a solution to a problem at the right time adds to the process of retaining the customer – There is a rapport which is built between the customer and the respondent which goes a long way in future correspondence with the center.

OTHER INCENTIVES TO THE CUSTOMERS BY ITC WELCOMGROUP HOTELS

Welcome Award - Rewarding Relationships

Welcome Award has earned the distinction of being India's premier and most powerful frequent guest programme. The Welcome Award programme recognizes customer as a business traveler and through its strategic alliances with travel partners endeavors to build a rewarding relationship customer.
As a Welcome Award member customers can earn 'Stars' on every aspect of their business trip...hotel stays, business entertainment, Car rentals and even air travel.

Welcome Link- Bring home the rewards

Welcome Link, India's most popular programme for key professionals offers many value-added benefits. It is designed to help members in making reservations for their company executives. For every materialized room night booked by a member at ITC-Welcome group Hotel, points are earned that can be redeemed for a wide range of rewards.
With Welcome Link, the member can look forward to many exciting promotions and prizes coming their way plus an exciting range of rewards... complimentary dining, free holidays, air tickets, car rentals and privilege shopping with Citibank Diners Gift Vouchers countrywide.

Sheraton Plus- The art of fine dining with a special edge

Welcome group Sheraton Plus brings the pleasures of the palate, in a truly rewarding manner. As a member, customers can savour the finest in cuisine ranging from authentic Indian, Mughlai and Chinese specialties to Continental fare in a selection of over thirty ITC-Welcome group restaurants. From 24-hour coffee shops to the specialty restaurants such as

Dum-Pukht, Bukhara, Dakshin and West View, members get to dine and entertain.

STEPS IN THE CRM PROCESS

The *first step* in CRM is for the internal customer that is to create awareness among them towards the concept, advantages and disadvantages of the function. Then equip them by training in their own requisite functions & scope of CRM within that function. At Maurya, they are trained to learn more about the guest and his background so that when he talks to the guest, he can strike a conversation that is of some interest to the guest. That may not be necessarily related to his stay at the hotel but these informal conversations with the guest can help build an excellent rapport with the guest which will lead the guest to know the employee by the name. In future interactions, it is possible that the guest may only wish that most of his work done through that employee. This is also a form of customized and personalized selling within the hotel.

 Maurya does not have a separate training for CRM. Any time when they have a special promotional scheme for a particular property, the marketing team (which has formulated the promotional scheme) puts together the details of the scheme, clearly marks out what is the customer expecting from the property and also if these are some special arrangements to be made for it. This team briefs the General Manager of the property about the customer expectation. The General Manager then decides the path of trickling down to that information, who should know & how much to know. In Maurya Sheraton, they use a phrase to explain this percolation which is "Nice to know and needs to know" which essentially means that it is nice to know for all employees of a particular property about the running of the promotional scheme at their property but not all need to know about every aspect of the scheme as it may not be relevant to their scope of work but they do need to know the tier points of the scheme relating to their scope of work.

The *second step* in CRM process is to integrate the information which is received through touch points. From a marketing point of view, it is important to get the desired input back from touch points in such a way that all the bits and pieces picked up by different touch points can be organized and used as valuable information by various other touch point to offer the right product to the right customer and that too at the right time. All this is done by creating a data base.

The Sales Process – Pre CRM and Post Implementation of CRM Independent Database
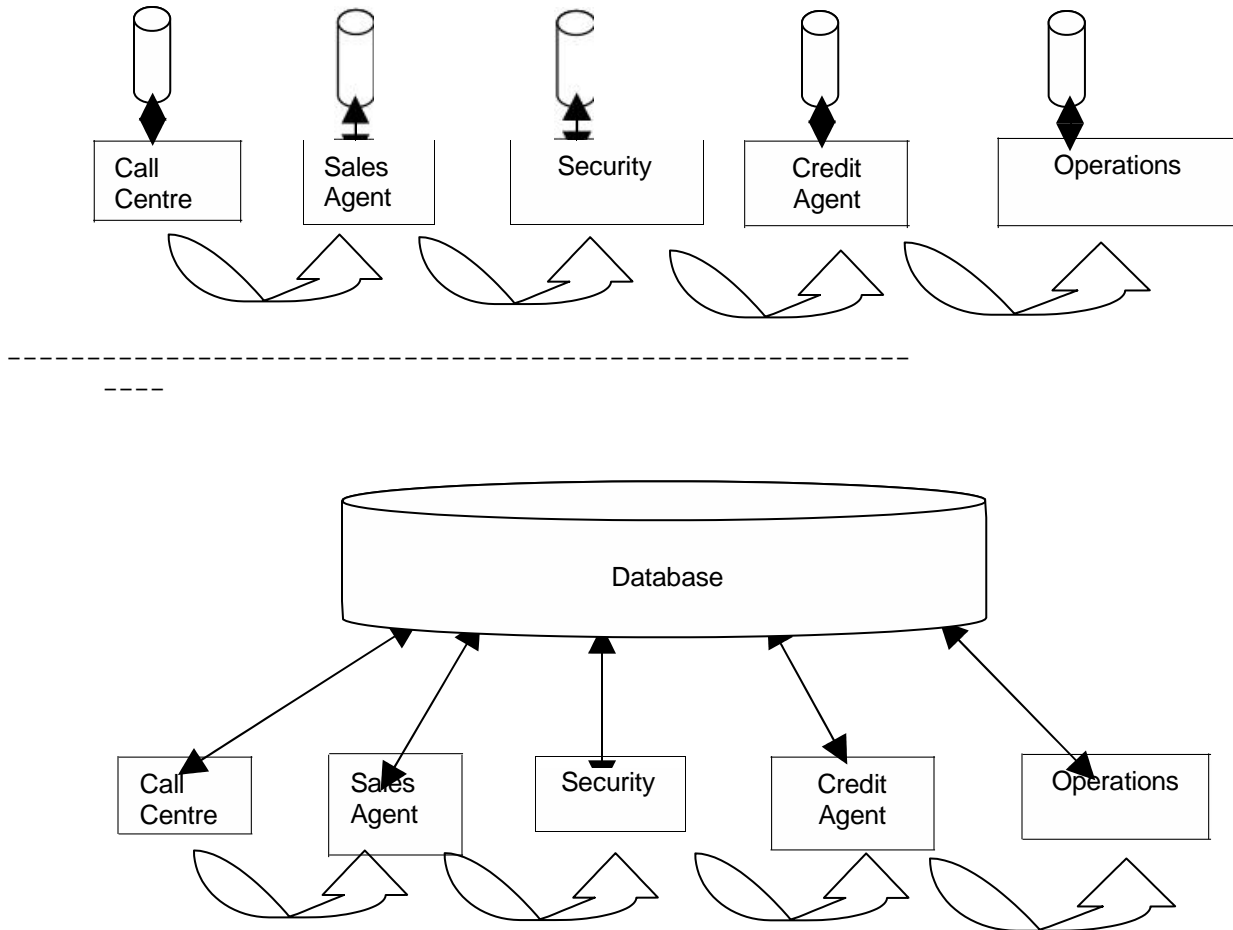
Source : Chaudhuri Avijit, Shainesh (2001), "Implementing a Technology Based CRM Solution". CRM – Emerging Concepts, Tata McGraw Hill

2. THE OBEROI GROUP OF HOTELS

Customer Relationship Management Function has been prevalent in the hotel industry since the inception of the concept of boarding and lodging. The Oberoi has enjoyed a superior position regarding its core product offering and supporting services. It has an excellent brand value which it consistently reinforced by delivering exceptional services.

The Oberoi, over the years, has acquired an outstanding brand value which would help sell the hotel solely on its name. Oberoi has a very loyal patronage from its guests, which has ensured a high market share in the high-end segment of the market, which they cater to. Oberoi has, thus, been charging a premium for the value that its guests derive from its services.

Till about five years back, The Oberoi did not have any competition and sales and marketing team did not have to sweat it out to acquire and attract potential clients. Today is a changed scenario. Because of globalization, India has seen the entry of International hotel chains, there has been a lot of pressure on the sales and marketing team to perform. Oberoi has seen its market share eroding due to price wars and cost cutting amongst the five star hotels. The loyal guests of The Oberoi have started switching due to similar international standards of services available at cheaper rates. The Oberoi is thus working hard to sell its services since the product has become generic in nature.

CRM PROCESS AT THE OBEROI GROUP OF HOTELS

According to the Oberoi the terms-Customer Relationship Management and Relationship Marketing are used interchangeably therefore they do not have a separate CRM department as the outlining functions of the CRM process are integrated in the Sales and Marketing operation.

They use a variety of after sales tactics for customer bonding and loyalty. Co-operative and collaborative relationships with customers seem to be the most prudent way to keep tracks their changing expectations and appropriately influencing it.   The Oberoi has ensured the above by the various 'end user' and 'booker' programs such as (Starkov, 2006):

Top – The Oberoi Plus
This is an end-user program with an enrollment fee of Rs.575 only. It is beneficial for guests who use the services of the hotel. Each time a guest spends, he accumulates points which can be redeemed for any services of the hotel. By enrolling and rewarding customers with the help of this program, the hotel ensures that a greater bonding towards long-term customer retention.   They have also tied up with the airlines for interchangeable redemption of points.

Connections – Bookers' Program
Bookers are an important link in materializing an actual sale therefore they need to be kept motivated to push the hotel when the reservations are made by a corporate account. Each time a booker gives as reservation to the hotel he gets credit points for that and which can be redeemed for gifts or any hotel services.

Food Festivals
The Oberoi conducts various food festivals at its Restaurants.   Regularly and sends invitations to its more profitable Clients.

Tie-Ups
The Oberoi invites top clients like CEO, Managing Directors and key decision makers of different companies to social evenings specially arranged to further enhance the Customer relationship management functions.

3. THE TAJ GROUP OF HOTELS

Taj group of hotels is the largest chain in India- with several Hotels abroad also. The parent Hotel-The Taj Mahal Hotel, Bombay is rated among the 10 best hotels in the world

The founder of the house of Tatas, Mr.Mansheti Nuser wanji Tata, in 1894 formed   the Indian Hotels company and built the exquisitely beautiful Taj Mahal Hotel in Bombay. The doors opened in 1903 and has been a landmark by the Gateway of India ever since.

In 1971, the 220 roomed Taj Mahal Hotels in Bombay was converted to a 325 Roomed hotel, and a multistory structure was built adjoining the original property. In 1972, the Lake Palace at Diaper and Rambagh Palace in Jaipur was linked to the Taj and a Chain was born.   In 1974, a new company was floated, which created the Taj Coromandel in Madras. In the same year the chain broadened with the acquisition of fort Aquada Beach Resort in Goa...

In 1976, Fisherman's Cove was built which is 30 minutes drive from Madras on the Bay of Bengal with a Private Beach. In the same year, the Taj Group opened the Taj Flight Kitchen in Bombay, Catering to both domestic and international flights.

In 1978, the glittering Taj Mahal was opened in Delhi, and this was followed by The Taj Ganges in Varanasi after two years.

The1980's was to see a rapid expansion of the group and the gigantic Taj Palace in New Delhi was opened. The Shiv Nivas Palace at Diaper and TAC (Taj Air Caterers) in New Delhi Airport were also opened. Followed by this was the opening of Taj Residency in Bangalore, the Savoy Hotel in Ooty and the Raj Mahal Palace in Jaipur and the Taj View Hotel in Agra.