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**„A Framework for Understanding Customer Relationship
Management Systems Benefits in The Hospitality
Industry“**

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Abstract

This thesis aims to present a framework for understanding the benefits of using customer relationship management (CRM) systems in the hospitality industry. CRM systems can act as a well-defined platform for organizations to interact with their customers and fulfill all their needs and demands effectively, thus helping build long-lasting customer relationships. Most organizations use CRM systems to improve business intelligence, decision making, customer relationships, and product and service offering quality.

This study employs a qualitative research approach. The framework proposed herein was developed based on an extensive review of literature on CRM systems. Empirical data were collected via in-depth interviews with two CRM experts. Analyses of two case studies, namely, the Mandarin Oriental Hotel, Bangkok, and the Grand Hyatt Erawan Hotel, Bangkok, were used to validate and extend the proposed framework.

The selected case studies of CRM implementations were analyzed with specific reference to the CRM benefits framework. Successful implementation of CRM systems can provide both organizational benefits and customer-related benefits. These benefits consist of improved customer service, improved customer data management, facilitated market segmentation, improved decision making, planning and forecasting, improved innovative use of CRM systems, improved customer satisfaction, services helping organizations to delight customers, improved business performance, improved employee skills, improved service quality, appropriate response to customer requests, increased personalized service or one-to-one service, product and service customization, improved value-added partnerships, and improved channel management.

In conclusion, the findings of this thesis indicate that the two case studies considered herein have helped us identify all benefits accrued from the use of CRM systems. Furthermore, organizations can recognize the factors and benefits of CRM systems according to their and their customers' needs. Such altered versions of the framework will be useful for participating hotels because they would provide the hotels a means of defining objectives for CRM projects.

Zusammenfassung

Diese These zielt darauf ab, ein Gerüst dafür zu präsentieren, um den Nutzen von Kundenbeziehungs Managementsysteme in (CRM) der Gastfreundschaftsindustrie zu verstehen. CRM-Systeme können als eine klar definierte Plattform für Organisationen fungieren, um mit ihren Kunden zu interagieren und all ihre Bedürfnisse zu erfüllen, dadurch soll eine lang anhaltende Kundenbeziehung aufgebaut werden. Die meisten Organisationen benutzen CRM-Systeme, um Geschäftsentelligenz, Treffen von Entscheidungen, Kundenbeziehungen und Produkt und Dienstleistungsqualität zu verbessern.

Dieses Studium setzt einen qualitativen Forschungsansatz ein. Das hierin vorgeschlagene Gerüst wurde basierend auf einer umfangreichen Literaturrecherche über CRM-Systeme entwickelt. Empirische Daten wurden mit Hilfe von Interviews mit zwei CRM-Experten gesammelt. Analysen von zwei Fallstudien nämlich, die des Mandarin Oriental Hotel, Bangkok und des Grand Hyatt Erawan Hotel, Bangkok, wurden benutzt, um das vorgeschlagene Gerüst zu bestätigen und auszuweiten.

Die ausgewählten Fallstudien der CRM-Implementierungen wurden mit bestimmtem Hinweis auf den CRM profitierenden Gerüst analysiert. Eine Erfolgreiche Implementierung der CRM-Systeme kann sowohl organisatorische Nutzen als auch kundespezifische Nutzen bereitstellen. Diese Nutzen bestehen aus verbessertem Kundendienst, verbessertes Kundendatenmanagement, erleichterte Marktsegmentierung, verbessertes Treffen von Entscheidungen, Planung und das Vorhersagen, verbesserte innovatorische Verwendung der CRM-Systeme, verbesserte Kundenzufriedenstellung, Dienste, die Organisationen helfen, Kunden zu erfreuen, verbesserte Geschäftsaufführung, verbesserte angestellte Fähigkeiten, verbesserte Dienstqualität, geeignete Antwort auf Kundenbitten, erhöhten eine persönliche Note gegebenen Dienst oder ein-zu-einen Dienst, Produkt und Dienst Anpassung, verbesserte Mehrwertpartnerschaften, und verbesserte Kanalmanagement.

Schlussendlich zeigt der Tatbestand dieser These, dass die zwei hierin erwogenen Fallstudien uns geholfen haben, alle Vorteile der CRM-Systeme zu identifizieren. Weiterhin können Organisationen die Faktoren und Vorteile der CRM-Systeme nach den eigenen Bedürfnissen des Kunden erkennen. Solche geänderten Versionen des Gerüsts werden für teilnehmende Hotels nützlich sein, weil sie den Hotels ein Mittel zur Festlegung von Zielen für CRM-Projekte würden.

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This thesis was carried out during the summer of 2013 and summer of 2015 at the University of Vienna. The two years of hard work have been a very interesting period. This thesis presents a framework for CRM systems benefits in the hospitality industry.

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1 Chapter 1: Introduction

The first chapter aims to introduce the topic elaborated in this thesis. It provides the background of customer relationship management systems to discuss the research area. The next section explains both the problem and the overall purpose of this thesis. Finally, limitations of the research area and thesis organization are presented.

1.1 Background

A customer relationship management system is important in running a successful business because it provides “powerful competitive advantage for organizations to enable them to survive in today’s market. It helps management track customers’ interactions with the organization and allows the organization’s employees to pull up all past information about the customers. Competitive advantages that organization could gain from CRM systems include the following: increase in customer loyalty, superior service, superior information gathering and knowledge sharing and organizational learning” (Nguyen et al., 2007). All CRM systems have a central database that gathers information about customers, and this information is subsequently analyzed and interpreted as needed.

CRM technologies can be divided into three different types: operational, analytical, and collaborative (META Group, 2001)¹.

- Operational CRM refers to “the business processes and technologies that can help improve the efficiency and accuracy of day-to-day customer-facing operations”. This includes marketing, sales, as well as customer service and support.
- Analytical CRM “provides analysis of customer data and behavioral patterns to improve business decisions”. This includes segmentation systems, analysis, reporting or customer profiling, and the underlying data warehouse architecture.
- Collaborative CRM refers to “the components and processes that allow an enterprise to interact and collaborate with their customers”. This includes web pages, e-mail, voice technologies, social media, and face-to-face interactions.

In other words, Buttle (2004) noted that CRM systems include the associated customer-centric business processes and relationship marketing strategies, as well as analytical and operational technological components. CRM systems were created not only to help solve tactical and operational problems but also to support

¹ METAGroup (2001). Integration: Critical issues for implementing of CRM solutions. Stamford, CT: META Group Inc.

strategic initiatives (Dyche, 2002). Most organizations have dedicated world-class tools for integrating CRM systems into their workplace, but only one in four organizations that implement CRM benefits from doing so because the implementation of CRM systems is high failure rates and fraught with risk (Rigby et al., 2002).

Hence, crmsoftware360 and Tech Intellect (2007) suggested that “implementing CRM systems does not have to be a career-limiting assignment. From each wreck along the road to CRM utopia, there are lessons that can be applied to reduce the risk of failure. Unfortunately, much of what has been written is focused on the reasons that CRM projects struggle or fail. What is needed is a different approach to apply the lessons learned from failed projects. What is needed is a set of clear, actionable techniques that can be applied at the onset of CRM projects and executed in a systemic and timely manner”.

According to Shanks et al., (2009) learning the reasons for the failure or success of CRM system implementation in terms of benefits realization is one approach to overcoming this problem. Both business benefits and customer benefits are related as critical success factors in successful implementation of the CRM system, while little awareness of the advantages of CRM can be considered as a hindrance to their successful execution (Payne and Ryals, 2001; Wilson et al., 2002).

Finally, this thesis identifies and categorizes the benefits of CRM systems from the viewpoint of organizations and proposes a framework that will be useful to both practitioners and researchers.

Customer Relationship Management Systems in the Hospitality Industry

The hotel industry, as a part of the business sector, has to be highly competitive to be able to do well in the business environment. Hence, Gronroos (2004) stated that based on their intrinsic characteristics of production and consumption, service organizations are inseparable elements that are important from the viewpoint of building relationships with customers. Implementation of CRM systems in a hotel allows the hotel’s management to generate a large amount of customer data. These data can be converted into meaningful insights (Kotler, 2002; Nguyen et al., 2007; Nasution and Mavondo, 2008).

Additionally, such data helps hotels improve the ways in which they cater to various types of guests. The data warehouse is an important part of a CRM system because integrated data is necessary to make suitable service-related decisions. If such data is not integrated customer data on a data warehouse, the hotel’s view of customer relationships would be based on a subset of actual interactions between customers and the hotel, and such insights could be false (Dyche, 2002).

However, CRM systems are now available as flexible standard core software for business analysis, gathering, and assessment of data to assist front-office activities in the sales, service, and marketing functions. As CRM systems improve with technological advancement, hotels will benefit from improvements to or automation of their sales development, customer retention, and customer interaction processes (Schulze, 2000).

The Benefits of Customer Relationship Management Systems

CRM systems have the potential to offer a range of benefits for both the business and the customer. For a CRM benefits framework, many of the benefits and almost all of the indicators will require specific focus on CRM systems (Freeman and Seddon, 2005). The benefits are classified from the perspectives of users at the operational, tactical, and strategic levels of management (Anthony, 1965) within business department areas.

Lin and Su (2003) stated that strategic CRM provides organizations the chance to leverage customer knowledge and create value for customers, as well as helps organizations to understand and fulfill current and potential customers' needs. Additionally, operational CRM helps improve the efficiency and effectiveness of customer management processes by personalizing the organization's relationships with customers and improving organizational responses to customers' needs (Xu and Walton, 2005).

Moreover, revenue can be increased by analytical CRM in various ways through up-sell and cross-sell campaigns, by identifying high worth customers, promoting brand awareness, referrals, loyalty, and predicting customers who are prospective buyers (SAS, 2002).

CRM systems not only bring benefits to the business but also to the customer. Furthermore, CRM systems are created to serve customers with more reliable data, and better in daily processes, customer need for self service from hotels will decrease. Nevertheless, there will be an increase in the rate of customer satisfaction if there is less need to contact the hotel for problems (Leach, 2003). By implementing CRM and using it appropriately, organizations can eliminate confusion and enhance productivity, efficiency, and control at every level (Rushforth, 2007).

1.2 Problem Area Discussion

Previous studies have stated that not all organizations can get the same benefits by implementing CRM systems. Even so, the hotel industry is suitable for implementing CRM systems because it generates adequate information about customers and their various needs, and hotels can use this information to build effective customer relationships (Kotler, 2002; Piccoli et al., 2003). Moreover,

CRM systems can help service organizations such as hotels to plan and implement successful marketing actions for retaining customers and generating greater revenues from them by using the customer database and other CRM subsystems that capture information over time (Roberts et al., 2005).

According to Chang et al., (2010) CRM systems improve an organization's marketing capabilities by making available valuable customer-related information. This helps both managers and employees to achieve specific marketing goals more effectively. Both customer benefits and business benefits are the drivers of any information system implementation, and CRM systems are no exception.

Achieving both customer benefits and business benefits requires management to focus on CRM systems (Freeman and Seddon, 2005). This thesis proposes a framework for understanding the benefits of CRM systems, a critical and useful tool for providing an understanding of organizations from the viewpoint of total operation performance. Moreover, the proposed framework provides researchers a systematic approach to categorizing, identifying, and exploring CRM system benefits.

1.3 Overall Research Purpose

In view of the discussion above, this thesis presents a framework and identifies benefits of CRM systems in the hospitality industry.

To this end, this thesis addresses the following questions:

- 1. How can a framework of CRM systems be described?**
- 2. How can the benefits of CRM systems for hotels be described?**
- 3. How can the benefits of CRM systems for customers be described?**

1.4 Limitations

A limitation of this thesis is that the insights provided herein are based on only two case studies, namely, the Mandarin Oriental Hotel, Bangkok, and the Grand Hyatt Erawan Hotel, Bangkok. Both are reputed hotel chains in Bangkok and they use CRM systems to store customer data. Both hotels are limited within their all internal department and their customers. The framework proposed herein has been developed from an extensive review of the literature on CRM systems. The scope of the benefits is limited to the organization (all department areas), the primary domain of CRM systems. Moreover, this thesis describes how the two Bangkok-based hotels in question benefited by implementing CRM systems. However, other hotels may not necessarily get same benefits by implementing CRM systems.

1.5 Thesis Organization

This thesis consists of seven chapters:

Chapter 1 presents the background of this thesis and discusses the benefits of customer relationship management systems in the hospitality industry. Additionally, the problem specifications, research questions, and limitations are stated.

Chapter 2 presents a review of the literature relevant to the research problem.

Chapter 3 presents a description of the methodological approaches employed in this thesis.

Chapter 4 presents the conceptual framework, research problem, and research questions, as well as limitations of the research area.

Chapter 5 presents results obtained using the presented empirical data.

Chapter 6 presents a revised framework, an analysis of the collected data, and a cross-case analysis.

Chapter 7 presents discussions and conclusions, including the answers to the research questions, as well as an outline of further research. In addition, the participating hotels are discussed.

2 Chapter 2: Literature Review

In this chapter, I review relevant literature to answer the research questions and to gain a better understanding of CRM systems in the hospitality industry. The purpose is to identify the relevant literature in the field of CRM. Additionally, I implement the CRM theories according to the CRM framework.

2.1 Implementation of CRM systems in the Hospitality Industry

The implementation of CRM systems depends on demanding and requiring commitment at all levels of the organization. Moreover, all departments in a hotel play core roles in the implementation of CRM because all of them involve customers directly, and customers may disclose all of their expectations, needs, and desires to them. The implementation of a CRM system requires capital expenditure and the very important decision of making a business plan for CRM implementation (Ivanovic et al., 2011).

Key factors for successful CRM implementation are listed below (Ivanovic et al., 2011):

1. Clearly defined limits with clear partial and measurable indicators and targets;
2. Setting goals that are measurable, achievable, and guided solely by the organization's business strategy;
3. Confirmation of strategic management in setting and achieving goals;
4. Participation of members in the project implementation and collection of information useful to create new business processes;
5. Provision of training and professional development to all staff.

CRM systems can be categorized as follows: operational CRM, analytical CRM, and collaborative CRM.

Operational CRM

Operational CRM, known as front-office CRM, is aimed at customer-facing applications such as enterprise marketing automation, sales force automation, and customer service and support (Chen and Popovich, 2003). Additionally, customer call centers, a part of operational CRM, are the dominant aspect in CRM systems (Anon, 2000; Xu and Walton, 2005).

Moreover, all interactions with customers are stored by organizations to gather data on customers for use in future interactions (Xu and Walton, 2005). For example, sales teams automatically retrieve data from inventory systems and customer service teams automatically retrieve customers' billing records (Reynolds, 2002).

Analytical CRM

Analytical CRM, known as back-office or strategic CRM, is used to analyze the customer data obtained from operational CRM to build customer profiles (Khalifa, 2004). Additionally, it is used to capture, store, extract, process, interpret, and report customer data stored in data warehouses (Greenberg, 2004). Analytical CRM enables businesses to examine customer behavioral patterns in order to develop marketing and promotional strategies (Xu and Walton, 2005).

Therefore, it is crucial to capture the right data, a process that requires great care and understanding of the customer (Newell, 2000). The analytical tasks in marketing include continuous analysis of customer characteristics and customer behavior. As examples, I describe three types of analysis for marketing (Alpar et al., 2002):

1. Customer segmentation: This is a differentiated approach to customers and requires dividing them into groups, each of which should be homogeneous in terms of product, service, and communication needs.
2. Customer scoring: Customers are assessed based on selected feature-making, for example, decisions about whether they want certain items to be offered or not.
3. Cross-selling analysis: Future cross-selling potential is predicted based on the purchasing behavior of customers.

One of the main analytical tasks in service is the implementation of complaint management. It is necessary to determine the exact reasons for the emergence of problems. Complaint management covers problems with a product, such as design material or operator error-related returns. Furthermore, it is important to identify other clients with similar problems, who have already complained, and address them.

This ensures that only a fraction of the dissatisfied customers who have complained move to another organization. There should be a program for quick-response complaints. This would make filing complaints easier for customers, which would consequently lead to customer satisfaction (Alpar et al., 2002).

Collaborative

Collaborative CRM uses new and traditional communication technologies to provide points of interaction between customers and organizations (Meta Group, 1999). Furthermore, one-way communication must be replaced by two-way communication, wherein customers is involved early on in solving issues affecting

their future purchase behaviors (Lawrence et al., 2001). In other words, collaborative CRM allows organizations to better respond to the needs of customers by including every member of the supply chain like other partners and the suppliers (Xu and Walton, 2005). Thus, It includes any other related function or channel strategies such as telephone, personal contact, e-mail, the Internet, mail, field work (Shahnam, 2000).

2.1.1 Technology-based CRM

A CRM strategy will not succeed if information technology is not used properly. In contrast, suitable use of technology in marketing is one of the greatest opportunities in the hotel industry (Dutu and Halmajan, 2011). Additionally, the most vital approach in the hotel business is ideal utilization of innovative resources for advertising since it empowers companies to make the right choice based on the adequate information provided by the right clients (Olsen and Dev, 2000).

According to Kasim and Minai (2009) the technology dimension of CRM influences hotel performance because a hotel needs to use the appropriate information technology for improving its performance. Furthermore, CRM-based technology allows organizations to chart plans and implement successful marketing actions for retaining customers and increasing profitability by using customer databases and other information-storing systems (Roberts et al., 2005).

Hence, the hotel business is suitable for implementing CRM models because it generates adequate data about clients and their varied needs, as well as hotels can use this vital information, namely, resource, to create successful clients relationships (Piccoli et al., 2003; Kotler, 2002).

Law et al., (2009) stated that e-mail inquiry is the primary form of communication between hotels and customers, implying customers' high expectations of receiving a response to their e-mails.

Furthermore, for individualized marketing strategies, as described by Peppers et al., (1999) "different customers are treated differently, the firm changes how its products are configured or its service is delivered based on the individual needs of individual customers".

Luck and Lancaster (2003) defined ways to provide information gathered from the reservations and billing processes to facilitate targeted marketing through electronic channels. Due to rising customer expectation and competitions in the hotel business, the organization has opted for information and communication technology (ICT) to manage the fast changing environments (Sirirak et al., 2011).

2.1.2 ICT Management in the Hospitality Industry

According to Namasivayam et al., (2000) a CRM technology is segregated into three categories: efficiency and productivity, revenue management and guest service delivery, and tendency. These three categories add value to products at all levels in organizations. In addition, such categorization allows for better integration with legacy systems and strategies during the initial technology adoption stage and generates tangible financial results.

In other words, as Sahadev and Islam (2005) mentioned, a few Thai hotels adopted a particular piece of CRM technology to support their hotel management practices. The reasons for adopting that technology were age of hotel property, level of competition, and the target customers. Given the highly competitive nature of the contemporary hotel industry, hotels must use ICT to gain competitive advantages and respond quickly to target customers' wants and needs.

Older properties are less likely to adopt new technology because they already have an established market and because of the difficulties involved in the adoption of such technology, namely, integration with existing systems and physical integration of technology into the buildings (Sahadev and Islam, 2005).

Choi and Kimes (2002) suggested that the booking system of a hotels, such as the property management system (PMS), is at the center of both technology and hotel operations. The system is used to make billing information, and to record guest details and room inventory. Additionally, It normally interfaces with more systems like food and beverage, point of sales terminals, and telephone to enable management reporting and integrated billing.

However, in the case of franchise or hotel chain, there may be a central reservation system (CRS). The framework permits online booking in hotels, and in addition acknowledgment of direct bookings from a central reservation office (CRO). Such frameworks usually have direct link to the PMS and are automatically updated so that CRO and the hotel front desk see the available room in the hotel inventory from the same perspective.

Sigala et al., (2001) described the growing sophistication of technology and its role in facilitating the move from reservation management to yield management. Additionally, they explained the difference between the two, that is, "Reservation Management is about process (how to do something), whereas Yield Management has an output focus (what to achieve)".

Moreover, the increasing complexity of ICT requires hotels to capture additional information in order to facilitate revenue management rather than focusing solely on yield per room (Vinod, 2004).

According to Chen and Schwartz (2006) online booking devices which permit access to a room selector (meaning it provides a view of the level of inventory that is available), evacuate a percentage of the data asymmetry that income administration depends on.

Hence, the customer's needs include segmentation variables in website offerings for example, websites determine the guests willingness to pay to maximize revenue. Further, customize offerings and pricing gain to customer loyalty, defined as repeat purchasing (Yelker and DaCosta, 2001).

Data warehouses and data mining play a central role. These systems are very important for providing CRM capabilities or for referring, developing, and managing various segments in the system. It follows that the valuable tools are the ones related to customer demographics, contribution margins, buying patterns, customer lifetime, and market segments (Sigala, 2005).

In addition, ICT is important for collecting and storing the information of clients from website analysis and EPOS systems, offering ways for personal interactions (websites, kiosks, call centers, etc.), and devising means for passing and weighing data across the organization (Sigala, 2005).

Sigala et al., (2001) suggested that the hotel sector needs to integrate yield management, and distribution and corporate systems for implementing yield management on a one-to-one, customer database, and distribution channel or hotel location basis. Aside from hotel reservations, Global Distribution Systems (GDS), such as Sabre and Galileo, are used for other services, for instance, airlines, car rentals, and other travel resources. Professional travel agents commonly provide these additional services (Choi and Kimes, 2002).

2.1.3 Key Factors of CRM system implementation

Implementing a CRM system is an aspect of the required change. To choose new methods of communicating with customers, companies need to streamline their organizational goals with their CRM systems, like strategies, employee training, business processes, and top management support (Goodhue et al., 2002).

Additionally, to gain competitive advantage by implementing a CRM system, the management of a company has to recognize how CRM fits in the context of the organization's general business strategy, determine why to implement CRM, analyze current CRM capabilities, learn the business's best practices, create a plan defining how to achieve the set goals, and execute the plan (Piskar and Faganel, 2009). Ramsey (2003) suggested critical strategies that organizations need to be aware of before deciding on investing in new CRM programs.

Main organizational strategies that considered before implementing CRM systems are as follows (Ramsey, 2003):²

1. Customers:

Ramsey (2003) noted that before starting any CRM project, an organization must decide the kind of clients it wishes to serve and know the kind of interactions that will produce the most benefit. A good way to deal with this is client segment management, the act of segmenting customer groups based on similar features and managing the segments which have been chosen to get adequate profit from customers and boost the long term income of the business.

Moreover, organizations upgrade their existing business models to distinguish target clients since this approach is applied to group specific customers with respect to their type. It is likewise a great method of evaluating the required resources for increased returns (Ramsey, 2003). In addition, customer-centric strategies are the fundamental business aim of organizations that can increase their profitability by paying greater attention to customers than to sales or market share (Wreden, 2004).

2. Channel:

Organizations are increasingly challenged to make sure that their strategies are relevant and current and that the development to profit from new channels won't affect their relationship with existing partners. By doing this, firms will understand their business channel dynamics and develop new strategies of organizing and implementing the activities that add to the value of their brand and company (Ramsey, 2003).

Also, it is vital that they understand and justify the application of those channels. Good management of the problems associated with implementing new channels isn't complicated, though the development and creation of new methods needs research and concentration (Ramsey, 2003).

3. Brand:

Chryst (2006) noted that branding is key to making a business memorable. Further, companies have to know customer preferences and needs, and they have to improve based on the feedback received. In addition, they should train their employees to understand their own brand. As a result, brand value strategies are used by companies to understand and identify customer behavior.

² Ramsey S, (2003) Introduction: strategy first, then CRM, The Ultimate CRM Handbook, McGraw-Hill, New York, NY.

CRM greatly concerns brand. Many individuals see brand as a firm's logo or name and the major tool for brand promotion as advertising. Brand is the whole of a client's involvement with an organization and, experience with a firm, meaning it involves all the company's services, products, distribution channels, processes, technologies, and behaviors (Ramsey, 2003).

4. CRM applications choices:

Ramsey (2003) stated that CRM applications can assist organizations to achieve their ultimate goals, which are to attract and retain loyal customers. In addition, the implementation of CRM systems, along with capabilities, can bring significant returns. Another approach to CRM that allows a firm identify, organize and form the perfect CRM procedures building company and customer value. Also, carrying out a good assessment of current CRM abilities to help a firm with understanding how well it makes use of these abilities when compared with its competitors and the entire industry.

2.2 Benefits of CRM Systems for the Hospitality Industry

The hospitality industry is all about customer interaction and adapting to meet new customer behaviors in a dynamic market (Dyche, 2002). In a place where there is an increase in competition for marketing domination, a lot of firms have applied CRM systems to boost their business knowledge, customer relations, product offerings, quality of service, and decision-making (Roh et al., 2005).

Moreover, CRM can be beneficial for organizations that generate substantial amounts of information about customers (Bose, 2000; Kotler, 2002;). In addition, CRM systems provide customer-facing staff with an extensive personal database from which to get information about their customers and their booking preferences (Leach, 2003).

CRM have become the right and flexible standard great business software for the evaluation, collection, and analysis of data to support processing of the front office in service, sales and marketing. These systems will continue to evolve with new technological advances that increase business opportunities and customer interaction. CRM systems can help improve and/or handle sales development, customer retention, and help increase the efficiency of customer interactions (Schulze, 2000).

CRM systems can provide customer data required by organizations to understand customers and the types of experiences that appeal to them. In addition, a CRM system must be integrated in the business systems to gather CRM and ERP information so that it becomes easy to access and view the system. This, in turn, provides a full and clear understanding of customers' interests, needs, and plans (Rushforth, 2007).

Customers' information regarding the service is recorded in the database for future use. Moreover, CRM systems are important for customer segmentation, generating individualized offers, and offering customized solutions (Sheth and Parvatiyar, 1995a). CRM systems turn reactive companies into a proactive ones in terms of customer interaction via a process-oriented approach, which begins with the customer process analysis; customer potential is the basis of the development of CRM processes and the associated process management activities, and organization transforms these specifications into an efficient CRM system configuration (Schulze, 2000).

Schulze (2000) argued that customer activities are customer needs-oriented segmentation, customer information integration, customer satisfaction analysis, product segment channel planning and interaction configuration, which clearly are major components of strategic CRM. Additionally, CRM systems not only is a tool for maintaining existing customers but also for winning new customers. Appropriate utilization of the CRM frameworks offers clearly defined steps and methods which helps to take out the problems that increases the efficiency, productivity, and control at each level (Rushforth, 2007).

CRM tools enable businesses to harness the meaningfulness of data mining, databases, and interactive technologies (e.g., computer software) to store unprecedented amounts of customer information in order to build knowledge from the information and to disseminate the resulting knowledge across the business (Greenberg, 2001; Crosby and Johnson, 2001b; Bose, 2002).

Hence, the right systems would strengthen customer relationships through after-sale and customer services. It would help an organization to be more responsive toward a customer's needs (Bose, 2002). Moreover, an effective CRM application could be used to directly analyze customer behaviors, provide usage patterns, and develop communication and delivery systems (Chen and Popovich, 2003).

CRM systems provide knowledge integration with the fundamental purpose of CRM products, which are the capacity to sustain one broad perspective of the client with regards to the functions facing the customer such as services, marketing and sales (Trepper, 2000). CRM systems analyze marketing, sales, and financial information, as well as the customer and support services of an organization. The systems are used to develop better services for customers (Greenberg, 2004).

The use of technology can lead to business expansion and facilitate analysis of customer relationships for their future development by studying and recording a customer's behavior in a previous service (Chen and Popovich, 2003). Moreover, new products and services can be provided optimally in accordance with the customers' interests, and a record of all previous services can be accessed from the database (Anthony et al., 2001).

This is one of the main reasons why CRM systems can be integrated in firms' that foster an environment of shared customer knowledge and select the right employees for serving the right customers. By creating a strong marketing policy, a business can determine a customer's needs and try to solve them.

Furthermore, from the business standpoint, CRM systems enhance customer satisfaction by allowing employees to use existing information about customers to tailor product and service offerings. This would increase sales and services' efficiency (Galbreath and Rogers, 1999).

Besides, CRM strategies differ with the nature of each business, innovation and an ideal CRM strategy is the one that manages all customer relationships effectively and efficiently, thereby boosting customer satisfaction and retention rates (Chen and Popovich, 2003).

CRM has benefits for the hotel industry such as increased customer satisfaction and retention, increased repeat business, increased share of category spend, and increased likelihood of referral business. These benefits are accrued by strengthening customer relationships via the consistent provision of customer value leading to satisfaction (Naveed U, 2012).

2.3 Business Benefits

In this section, I describe the benefits of CRM systems in the business section, and identify and categorize CRM benefits. The use of a CRM system is very beneficial, and it could have a good effect on customers as well. Moreover, a well-implemented CRM system can assist a business' entry into entirely new markets, while solidifying its leadership in existing ones.

Additionally, an understanding of the business benefits is a critical success factor for successful CRM system implementation, while low awareness of the benefits is a barrier to successful CRM system implementation (Ryals and Payne 2001; Wilson et al., 2002).

2.3.1 CRM Application

An increasing number of organizations are implementing CRM applications because CRM can help them achieve a range of business benefits (Richards et al., 2008). Goodhue et al., (2002) stated that some companies adopt specific CRM applications and the "quick hit" benefits they can bring.

Moreover, their study showed that the most popular of such applications included telephone call centers, database marketing, direct mail campaigns, Web marketing, Web self-service, field sales, e-mail marketing, and Web portals.

Additionally, appropriate information and the accurate assignment of customer data accordingly enables employees to evaluate specific target groups or individuals. Such evaluations could enhance the efficiency of sales activities and marketing measures, and ensure that they are in line with customers' needs. A CRM application helps hotels to recognize the vital impacts of each department (Goodhue et al., 2002).

Goodhue et al., (2002) suggested that a share-able infrastructure is difficult to develop, and it is difficult to achieve the more pervasive benefits of coordinated action across all parts of an organization. In hotels, CRM programs are used mostly to collect guest information, which is subsequently used for advertising to specific types of guests based on their transactions and loyalty (Milovic, 2012).

2.3.2 Infrastructure

Integrated solutions are the best and most efficient way for each department to get the latest information from other business areas. Data integration can be managed centrally, which helps businesses to not only avoid errors but also relieve the strain on business IT infrastructure.

A business and its staff should always be informed about all business and customer data, for example, open items, documents, tasks, emails, or other communications (Reynolds, 2002). CRM systems can provide information about customer behavior and preferences so that an organization's functional research and development teams could use it for product innovation as well (Brown, 2000).

CRM technology in the customer experience will be identified regardless of the used channel. All measures should be integrated with the established business processes. In the first cycle, organizational measures are associated with the integration.

Later, cross-functional sites are established in a customer-centric manner, and they are allowed to access the integrated databases. Software is used as an island solution so that interfaces can be used to create programs for accounting and marketing support (Reynolds, 2002).

A data warehouse is a tool of information technology management that offers the decision makers of an organization quick access to data by gathering "islands of customer data" over the business by consolidating all operational frameworks and databases, like, financial, purchase, inventory, marketing and sales, human resources, and transaction processing. In other words, all data, new and outdated, is stored in the central database so that it can be accessed on demand (Eckerson and Watson, 2000).

The sources of a data warehouse can be an organization itself, customers, and third parties. As data can be easily accessed and analyzed without manipulation or processing, it saves a huge amount of time (Dyche, 2002), essentially for IT staff and decision-makers.

Furthermore, the greatest benefits are accrued when data are used to redesign business processes and support strategic business objectives (Goodhue et al., 2002).

Data warehouse and CRM are considered as one aspect of using information to enhance competitive advantage in the industry. The hotel business requires efficient time management. Hence, hotels should improve strategic decision-making processes by using CRM and Data Warehouse technology, which help collect data from several dispersed sources. This would result in a better central Data Warehouse. Employees can use appropriate data analysis tools to store and analyze the data needed (Hwang et al., 2004).

Thus, if information is not completely coordinated, customer relationship perceptions, which depends on a part of a client's real communication with the organization, prompts false and incomplete view of the customer (Dyche, 2002).

As client information comprise all business, promotions, information concerning account status, billing, back orders, product returns, internal operating cost, product, product shipment, transaction details, internal operating customer service activities, claims history, and promotions, customer information can improve an organization's understanding of its clients and their purchasing patterns (Shepard et al., 1998).

According to Chen and Popovich (2003), the application of data warehousing can provide the following benefits to an organization³:

1. Data quality and filtering to eliminate bad and duplicate data
2. Data analysis tools for generating high-level summaries and advanced data consolidation, and detailed reports
3. Quick extraction, manipulation, and drill-down of data for profitability analysis, retention modeling, and customer profiling
4. Accurate and more rapid access to information for facilitating responses to customer questions

³ Chen, I. J. and Popovich, K. (2003) Understanding Customer relationship management (CRM): People, process and technology. *Business Process management Journal*, Vol.9 No.5 pp 672-688.

2.3.3 Organizational Transformation

The main component of CRM is the employees of a organization suitable for CRM implementation. Organizations can only be successfully altered when their members recognize the need for changes and accept change. An awareness of CRM can be achieved most easily when it is expressed in revenue or profit figures, by showing a organization's problems. Business process change, people change and technology are the major target that will aid a business to achieve higher customer loyalty and high profitability, and together all these will aid the firm to improve in market share and market place (Chen and Popovich, 2003).

The changes required in the value system of an enterprise warrant simultaneous training, management, and incentives at all levels of the organization. The integrated CRM processes change constantly based on inputs from customers, employees, and the management. Ownership is an important requirement in a customer-oriented corporate structure (Goodhue et al., 2002).

Further, there have to be a combination of customer support, sales, marketing with business processes. Also processes together with employees and business partners have to put in mind. Good knowledge about customers is required before a firm sets up a change management like this (Harej and Horvat, 2004).

Marketing must consider all aspects of customers. New knowledge must be acquired constantly. The service staff should be trained and authorized to accept complaints, and solve customer problems quickly and satisfactorily. Hence, a successful CRM implementation can have a significant impact on the organization. It can assist an organization to gain a competitive edge in its industry by promoting a favorable image of it among its customers, thereby strengthening market position (Handen, 2000).

Nevertheless, most companies can be categorized, at least initially, by focusing primarily on one of the following three "CRM targets": application, Infrastructure and transformation. This fact makes it easier to study each target separately and to understand the difficulties of achieving each target. Besides, large-scale organizational transformation is difficult and fraught with opportunities for failure (Henderson, 1993). The changes extend beyond information systems to employee roles, business processes, organizational structures, and incentive structures.

Firms generally embrace CRM systems by undergoing such organizational transformations. Moreover, a successful CRM implementation probably requires three aspects: implementing strategically beneficial applications, improving the underlying data infrastructure, and changing the way in which a business runs through organizational transformation by requiring decidedly committed support from the top management.

However, organizational transformation is often driven by software requirements rather than by a conscious shift toward a strategic direction (Goodhue et al., 2002).

Table 1: CRM Efforts Classified by Primary Target			
Lesson	Target 1: Individual Applications	Target 2: CRM Infrastructure	Target 3: Organizational Transformation
#1 The Three Targets Have Quite Different Organizational Costs and Benefits	Costs are relatively low. Greater efficiencies and effectiveness at the departmental level may result in greater local revenues and profits.	Infrastructure creation is costly, requires a "vision" to justify. Departments give up control of "their" data. Possible cost savings from infrastructure consolidation. Possible "quick hit" returns from follow-on applications.	An expensive, risky undertaking, but with the potential for great increases in revenues and profits.
#2 Sponsorship May Vary Across the Targets	Usually initiated at the department level.	Often initiated by corporate IT, but must also enlist wider business sponsorship.	Initiated by top management, but must enlist all levels of the organization.
#3 Plan for the Evolution of Your CRM Efforts	Multiple individual applications may lead to demands for coordination, better infrastructure.	Once the infrastructure is in place, many individual applications become possible. Organizational transformation also becomes possible.	Usually involves new infrastructure and new applications to support new business practices.
#4 Prepare to Get Your Hands Dirty Working with CRM Data	Needed data is limited in scope and volume. Integration problems are easier to solve because the data is controlled at the departmental level.	Large amounts of data are needed from disparate source systems owned by different constituents, frequently without common identifiers. Difficult challenge.	All the problems of the infrastructure target, with the added challenge of supporting new business processes with a changing data infrastructure.
#5 Ensure the Technical Infrastructure Will Scale to Meet Future Challenges	Requirements are localized and easier to understand and predict.	Need to support a multitude of users and applications. Harder to understand and predict requirements. Must be highly scalable.	All the problems of the infrastructure target, with the added challenge of supporting new business processes with a changing technical infrastructure.
#6 You Can Teach Old Dogs New Tricks ... Sometimes	Only a small group of users must learn to work with new applications.	A growing base of users must learn the new decision support environment as data becomes more available. IT personnel must learn new skills and technologies.	Nearly everyone becomes a user in some way. Jobs are changed, eliminated, and created. Many changes in job skills, both for business and IT.

Table 1. Efforts Classified by Goal ⁴

⁴ Source: Goodhue D.L, Wixom B.H, Watson H.J, (2002) Realizing business benefits through CRM: hitting the right target in the right way¹, MIS Quarterly Executive Vol. 1 No.2.

2.3.4 Benefits for Management

The benefits are divided from the perspective of users at the operational, tactical, and strategic levels of management (Anthony, 1965) within all department areas.

Benefits for operational level of management

These benefits are relevant for the day-to-day operations of companies. Additionally, some of these benefits can be related to benefits at the same or higher levels of management, as listed below:

- **Improved customer service**

By channeling individuals, procedures, and technology, CRM systems help firms in giving reliable and customized client service (Gurau et al., 2003; Buttle, 2004). The degree of service directly affects consumer satisfaction and business loyalty.

Consequently, client information integration gives employees enough information about clients, thereby helping them offer good services during contact. Takes out the need to access various information systems and the application of certain technologies like call precision, balancing of load and routing call distribution results in time spent on service (Dyche, 2002).

- **Improved customer data management**

CRM systems require adequately coordinated and top notch client information (Dyche, 2000). Hence, Turnbull (2004) stated that client data is usually recorded in various useful areas of the firm and on various media. To oversee individual customer relationship, associations require a general overview of the customer (Ryals et al., 2001).

According to Shanks et al., (2009) CRM frameworks tend to incorporate different islands of information and give a broad perspective of the client at each interface between the association and the client. A professional stated that enhanced customer information can be viewed as an influence of the advantages of the CRM system instead of an advantage itself because almost all other gains shown in the system in a way relies on top quality integrated data.

Benefits for tactical level of management

These benefits are concerned with the development of tactical strategies and medium-term planning, and are applicable to the middle level of management.

- **Market segmentation**

Market segmentation is focused on customer needs and expectations, rather than on what differentiates various customers (Kotler et al., 1998). Markets can belong to a segment on the basis of behavioral patterns or physical attributes. The former incorporates demographic variables, financial qualities, and geographic variables while the later incorporates ways of psychographics or life, item use, and advantages looked for (Pride and Ferrell, 2006).

CRM likewise makes it simpler to track the viability of a given promotion instead of customary marketing by mass media (Handen, 2000). Additionally, companies should tailor their marketing strategies to their customers.

- **Improved decision-making, planning and forecasting**

By making integrated data go through high business examination, businesses can improve their analysis at the same time as generating more correct forecasts. Moreover, CRM frameworks are typically provided with the capacity to create improvised and predefined reports, which can be made use of in supporting functions like forecasting, resource management and planning. Therefore, their use leads to faster and improved decision-making (Dyche, 2002; Jayaganesh et al., 2004).

Benefits at strategic level of management

These benefits are related to goals and the long-term vision of companies, and apply to the top level of management.

- **Improved innovative use of CRM systems**

CRM systems are normally centered around advertising, customer service and sales. As of late however, there has been developing enthusiasm for exploring how the usefulness of CRM systems can be used for client driven product improvement (Tseng and Piller, 2003; Lloyd and Walters, 2005).

CRM systems can provide information about customer behavior and preferences. Hence, the research and development functional areas of an organization can use them for product innovation (Brown, 2000; Jayaganesh et al., 2004; Jagielska et al., 2005).

- **Improved customer satisfaction**

Customer satisfaction deals with monitoring of service delivery processes, maintaining a proper perspective, making discretionary effort, responding clearly to customers in need, development of trusting relationships, and remembering customers between calls (Bateson and Hoffman, 2002).

Buttle (2004) stated that consumer satisfaction goes up when more value is given to the client. A large portion of the operational and strategic advantages positively affects the creation of values for customers.

– **Customer delight through service**

Organizations can offer enhanced customer care, service, and customer information management across the organization to improve customer satisfaction and loyalty (Ryals and Knox, 2001). The choice of customers specifically influences the business and the profitability of a business, due to the fact that it helps identify an organization, its products and services from those of their competitors (Seth et al., 2005).

Only satisfied customers possess high levels of loyalty. If a CRM framework can captivate clients, customers will keep coming back to the business, and the loyalty of customers will increase (Engelbrecht, 2009).

– **Improved business performance**

A well-implemented CRM system can increase profitability and revenue, reduce customer attrition, and increase customer retention. Better business performance can assist an organization to gain a competitive edge in its hotel by promoting a favorable image among its guests, thereby strengthening the organization's market position (Buttle, 2004; Dyche, 2002; Handen, 2000).

2.3.5 Customer Support

The aim of CRM systems is to help organizations handle/improve sales development and customer retention, as well as enhance the efficiency of interactions with customers (Schulze, 2000). Light (2001) suggested that “Organizations need to understand the theoretical and practical implications the business perspective of CRM, before embarking upon a CRM system project. To be successful, CRM projects need to be viewed more than the implementation of IT”.

Schulze (2000) evaluated methods of CRM system introduction, and showed that activities such as customer information integration, customer satisfaction analysis, customer need-oriented segmentation, product segment-channel planning, and interaction configuration represent the major components of strategic CRM.

The implementation of strategic CRM in an organization helps it develop a supportive culture and leadership that assists the development and nurturing of customer relationships. Moreover, the integrated systems and processes ensure smooth information flows. Before organizing data to support this CRM systems, an organization must create processes to support mutual cooperation and necessary interdependence because such processes capture, process, and store

information, as a tool suite, and CRM facilitates interaction among customer data (Plakoyiannaki and Tzokas, 2002).

The initiating firm can foster a supportive culture and leadership by driving customer service, teamwork, and collective goal setting (Plakoyiannaki and Tzokas, 2002). Therefore, CRM systems can help achieve a high level of value from customer purchases, and the systems can find new business opportunities valuable for the organization. Furthermore, CRM customer support in service organizations can “evaluate customer support needs during the new product development process” (Smith, 2006).

2.3.6 Customer Segment

An organization must consider every customer’s opinions, and each customer imposes unique requirements and demands for the organization. From the CRM perspective, customer relationship and long-term profitability are important to the organization, and the organization needs to learn about the customer continually (Peppers et al., 1999).

Therefore, to serve or provide value to customers, a business must know or identify its customers who would connect with marketing channels, financial transactions, and interactions over time so that the automation of personalization can be made feasible by using information technology. In other words, CRM can integrate touch points around a common view of the customer (Eckerson and Watson, 2000).

CRM applications reap the full benefits of technological innovations with their potential to collect and analyze information for interpreting customer behavior and customer patterns to respond to them on time, developing predictive models and effective customized communications, and delivering service and product value to individual customers. Businesses can make use of the analytical capabilities of the CRM systems to answer and foresee major business questions on the intelligence of customers and to share the outcomes over channels (Chen and Popovich, 2003).

Heinrich (2000) noted that the detail of a business procedure incorporates core services (as regards the assisted client process), kind of offers contacts, brand concept, price policies, sales policies, customer groups and targeted purchaser. A customer cluster is an arrangement of client relationships that are to be jointly supported as communication with a relationship affects the same with other customers due to ownership structure, family structures, partnerships, and so on.

Also, segmentation helps a business distinguish themselves by offering suitable and appropriate services to address the needs of their customers, consequently building a competitive advantage, it also guides organizations to their most valu-

able clients, thereby helping to locate also distribute time, and key capital efforts to produce the highest profit (Smith, 2006).

2.4 Customer Benefits

2.4.1 Customer Value

Wilde and Hippner (2004) affirmed that customer value has considerable scope for interpretation. In American management literature, it is represented significantly as the construct of customer value. The main reason for this is that a customer decides, depending on the obtained or expected benefits, whether to maintain a business relationship or to terminate it. Furthermore, these benefits can be determined as customer benefits, which means that the value of a customer is measured based on a business relationship.

The supplier's perspective can be gained through the "customer value" of the contribution reviewed by a customer or size of the customer base, which would help an organization to achieve its monetary and non-monetary goals. Customer value and customer perspective are essential for creating customer relationships. Customer value and customer benefit are two factors that determine the outcome of CRM (Wilde and Hippner, 2004).

Furthermore, customer value is customer-perceived in the form of product attributes, which could be viewed from the customer's goal and purpose. A few studies have examined the differential effects of the individual dimensions of customer value on specific dimensions of CRM performance (Chi et al., 2004).

CRM is a corporate technique and an orderly approach based on individualized marketing and relationships that plans to incorporate the management of relationships that are personalized with clients, and keeps on offering value to the client over time, while maximizing the creation of value for organizations (Hsu and Lin, 2008).

Hence, CRM builds value for the client from service or product offers aimed at addressing the needs of individuals and upgrade client service. CRM systems affect customers by reducing the amount of repetitive form-filling. Recording of customer needs can result in faster placing of orders by a customer and ease the task of responding to a customer (Ryals, 2001).

Thus, CRM can create value for the customer, as well as boost business performance and enhance operational efforts, which in turn can increase customer satisfaction and long-term success through closer and longer relationships.

Mazumdar (1993) stated that customers are turning out to be more value controlled, and they are not just influenced by lower cost or high quality. Then, customers tend to make a sensible comparison between the perceived sacrifices

and apparent advantages during the time spent getting and utilizing services or products. Nevertheless, not all customer value has the same prospective gains because not everybody cares for the same sacrifices at any given time. The efficiency of CRM provides added value to customers, who can be directly connected with it to improve profitability and value-based marketing for organizations.

2.4.2 Customer Satisfaction

Customer satisfaction refers to customer needs, wishes and expectations, which are met or overcome during the service or product period, thus paving the way for repeat purchases and customer loyalty. Customers are concerned with whether a business concern can fulfill their needs (Anton, 1996).

From the business viewpoint, however, every customer needs to be satisfied. This is key factor for creating customer satisfaction. One-to-one service is a strategy that enable the satisfaction of customer needs. It facilitates customer satisfaction through personalized service. Personalized services should necessarily be better than routine services (Dwayne et al., 2006).

When a customer is satisfied, his or her expectations could generate many benefits for the organization. The expectations and requirements of each customer are different, and satisfaction would inspire a customer to purchase more products or services. Moreover, firms with a high level of customer satisfaction seem to be able to shield off competition, particularly price competition (Bateson and Hoffman, 2002).

It is important to measure customer satisfaction regularly through customer complaints because doing so gives firms an idea of the level of customer satisfaction. The measurement of customer satisfaction, both systematically and structurally, is related to customer feedback, which enables a organization to understand customer perspective via direct feedback through customer interfaces, as well as to meet customer expectations (Kotler et al., 2000).

Customer satisfaction plays an important role in the efficiency of an organization. Satisfaction depends on a comparison of alternatives with similar (or desired) performance. Therefore, it is assumed to comprise a cognitive process within a consumer's conscious control, as well as an emotional process outside such control (Hsu and Lin, 2008).

In other words, when satisfaction turns out to be paramount, CRM does not just affect retention independently but collaboratively too. Furthermore, while the major impacts of CRM are noticeable in terms of consistency, the satisfaction of customers is an exceptionally intricate and multi-dimensional occurrence (Hsu and Lin, 2008).

Despite the fact that many businesses offer services and products of the same quality in the same price interval, it is difficult for businesses to secure customer satisfaction. Moreover, even a satisfied customer could easily move to a rival business (Hsu and Lin, 2008). Nowadays, the market is highly competitive. Individualized offerings have become necessary to meet customers' expectations. Therefore, a business needs quality and satisfaction in CRM for successful distribution of products (Roberts et al., 2005).

2.4.3 Customer Retention and Loyalty

Dawkins and Reichheld (1990) defined that customer retention as the amount of customers engaged in business with a firm at the completion of a financial year, stated as a percentage of the customers who happened to be active customers when the year began. In other words, customer retention focuses on a organization's marketing.

A business can be engulfed in customer retention efforts to create and maintain long-term relationships by ensuring that existing customers are satisfied. In other words, a business faces constant competition. Thus, retaining customer loyalty is an important component for building customer satisfaction. This is achieved only by a suitable customer orientation within the organization through appropriate measures to increase customer loyalty, and motivated employees who understand and implement these measures (Bateson and Hoffman, 2002).

Customer loyalty is determined based on the purchase of a given trademark. The level of loyalty is measured based on the frequency of buying (Javalgi and Moberg, 1997). In other words, customer loyalty means uninterrupted retention, even when the customer needs are met. This involves a period of time in which a customer is continually developed to an intended level (Acuner, 2001).

Nowadays, businesses attempt to present a lower cost than their rivals for their products and services to fully meet customer expectations and wishes, as well as ensure their loyalty (Coban, 2002). The most important consideration for organizations attempting to attain high customer loyalty is delivering high customer value (Kotler et al., 2000).

Karan (2002) stated the following critical factors for attaining customer loyalty:⁵

1. Reminding by phone call;
2. Choosing the field in which they are the most important;
3. Sending thank-you cards;
4. Preparing special events and occasions specific to customers;
5. Sending personal letters;

⁵ Karan, S. (2002), Msteriyi Raflara Ask Etmenin On yolu, Platin Dergisi, Yl. 5, Austos.

6. Rewarding those who send new customers;
7. And, above all, providing quick responses and evaluating customer complaints in detail .

Businesses must employ profitable tactics for retaining customers and subsequently earn their loyalty because customers are a part of their market power.

2.4.4 Customer Achievement

Achieving long-term loyal customers for an organization, brand, or online shopping portal is usually much cheaper and more effective than trying to win new customers with intensive advertising campaigns. To achieve greater customer loyalty, some measures and actions must be tailored to the individual phases of the customer life-cycle (Hammer, 1996).

Technology learning is the key to learning about customer behaviors. The ability to learn technology can be used to effectively assess employee skills regarding customer information. It would also measure customer interaction in the form of payment, frequency of content updates, total cost of promotion, response channels, and the number of marketing campaigns (Kim et al., 2003).

Furthermore, every organizations should set the goal of satisfying their customers. Achieving this goal increases self-confidence and enables organizations to take pride in their achievements. It also increases the willingness to accept future challenges as a result of goal-setting. CRM systems enable organizations to segments, personalized customer care, sales customers, service customers, colleagues, and partners (Locker and Latham, 1984).

The greatest profits and the highest productivity gains are achieved with a great CRM solution, which would not only benefit sales and services but would also create value propositions and the right market segments. This will allow organizations them to attract new customers and recognize targets (Wessling, 2002).

2.4.5 Customer Trust

Trust in customer relations is always associated with risk. In addition, trust is the main point if the relationship with both suppliers and customers is dominated by security. Trust implies the customer's confidence in an organization when giving information away. Interdependence between suppliers and customers is mandatory. Thus, an organization must emphasize on creating trust (Hacker et al., 1999). The main benefit of trust is customer loyalty, which leads to a greater share of wallet, higher word-of-mouth, and longer term relationship. Customer trust could be formed quickly by an organization's credibility, customer relationships, and planning (ESCP, 2010).

The continuous quest for competitive advantage and added value means increasing competition, similarity in major products and absence of customer loyalty causes firms to seek new methods of acquiring competitive advantage over its competitors. This involves designing more unique and valuable products and services on the basis of a unique business system, which creates multidimensional competitive advantages (Jelinkova et al., 2006).

From this conception, a marketing approach, such as customer relationship marketing, creates and builds trust for both suppliers and customers, leading to increased retention rates. As customers see value in trusting organizations with their data, they will be more willing to reveal their preferences. Organizations must realize that every click by a customer affects the business (Jelinkova et al., 2006).

Customer privacy is the main reason for building customer trust and loyalty. The organization must treat customer information the same way as the organization would like to be treated. The organization's brand image should reflect trustworthiness (Shaw, 2002).

In conclusion, CRM is a traditional exercise that permits an organization to build up a personal relationship with its clients and continually maintain it (Gummesson, 1999; Peppers et al., 2000). According to Ryals et al., (2001) CRM is realized by the design, development, and enhancement of individualized customer relationships by focusing on customer groups and targeted customers to maximize their total customer lifetime value. Developments in information technology have evolved relationships with customers on an individual basis (Peppers et al., 2000).

Moreover, CRM enables technologies that facilitate management, data capture, delivery, analysis and storage (Zikmund et al., 2003). CRM systems can be categorized into two areas: operational and analytical, and examples include websites, databases, phone call routing systems, and data warehouses. Operational CRM system components are related to the automation of front-office CRM processes. Analytical CRM system components are related to the analysis of customer data to increase knowledge about the customer, which helps organizations decide on how to proceed from the viewpoint of increasing both customer and business value.

This thesis also includes non-technological drivers such as organizational CRM culture. Technological drivers include CRM analytics, also known as analytical CRM components, and CRM infrastructure, also known as Operational CRM components. The following section provides details of a successful implementation of CRM systems. According to Ramsey (2003), an organization can plan business strategies before implementing CRM systems in the category of customer, channel, brand, and CRM application choices.

Furthermore, the benefits of CRM systems are categorized based on the three levels of management (operational, tactical, and strategic levels) as appropriate. These benefits include improved customer service, customer data management, decision-making, planning and forecasting, innovative use of CRM systems, customer satisfaction, service, and market segmentation, which help organizations to delight customers and improve business performance. The scope of the benefits covers all department areas in the organization.

Moreover, customer benefits include improved employee skills, service quality, responses to customer request, customer satisfaction, personalized or one-to-one service, and customized products and services. Every relationship between an organization and its customers can improve customer satisfaction, customer service, revenue, and profitability.

3 Chapter 3: Research Approach

This chapter presents the research approach employed in this work, and it describes the research process, research design, research strategy, and type of research. Thereafter, sample selection, research quality criteria, and data analysis are presented. Furthermore, the selection of methodology is based upon the research problem and the research questions.

3.1 Research Processes

Zikmund (2000) stated that in different studies, it is not possible to follow the same research steps, with the same research activities, in the same order. However, all researches thus far have been conducted using the same predetermined pattern. These pattern can be used to operate the research process cyclically because on many occasions, the conclusions emerging from a study initiate ideas and problems that must searched again and investigated further.

3.2 Research Design

Malhotra (1996) noted that research design is guided to marketing research and considered as a framework. Moreover, it is a simple plan guide for analysis fragment and the information collection of a study. Research design identifies the type of data to be collected, data collection procedure, and data sources (Kinnear and Taylor, 1996).

3.3 Type of Research

As considered earlier, scientific research can be categorized into different types. A scientific research may explore the nature of the problem, and it can be exploratory, descriptive, or causal, as described below (Zikmund, 2000).

3.3.1 Exploratory Research

Saunders et al., (2000) stated that research is conducted initially to clarify and define the nature of the problem, and to seek new insights, to find what is happening, assess everything in a new light, as well as, ask questions. Consequently, exploratory research is conducted with the expectation that subsequent research will proceed.

According to Robson (1993), an exploratory study is an exceptionally valuable approach if a person wants to clarify their perception of an issue. Additionally, the benefit of exploratory research is the focus of the research, which may switch as the work proceeds and new knowledge is obtained (Malhotra, 1996).

3.3.2 Descriptive Research

Descriptive research develops a precise theory that can be used to describe empirical generalizations, and it seeks to establish the answers to questions relating to who, what, when, where, and how. To describe what is happening and solve business problems, as much information as possible must be obtained (Zikmund, 2000).

The main focus of this research is describing the characteristics of a population or phenomenon, and studying events during the time of data collection (Dane, 1990). Therefore, Reynolds (1971) stated that the main goal of descriptive research is to give details of different phenomena by dividing them into component parts. The current research aim and research questions indicate that this thesis is more descriptive and slightly exploratory.

3.3.3 Explanatory / Causal Research

The aim of causal research is to establish cause and effect relationships between variables and to explain such relationships by describing what are the causes and consequences of an action. Exploratory and descriptive researches are performed first, while causal research is done later in a bid to display how a thing is done, something else will follow (Zikmund, 2000). This is due to the fact that causal research needs structured, descriptive and planned design (Malhotra, 1996).

The research object in this thesis can be assessed as both descriptive and exploratory. “CRM systems” is the research topic. To answer the questions at hand, exploratory and descriptive research were conducted. The structure and methods for selecting information were carefully chosen. Data collection was formal and pre-planned (Malhotra, 1996). This results of this thesis will increase our knowledge of CRM systems by presenting an understanding of business and customer benefits. Moreover, in this research, the research problem and the information needed are rather well-defined, and some patterns have been drawn from the theory and stated in the framework.

3.4 Research Approach

3.4.1 Deductive vs. Inductive Research Approach

A research can either be deductive or inductive. The former deals with the development of a theory and hypothesis by designing a research strategy to test it, while the latter analyzes collected data to develop a theory based on the analysis (Saunders et al., 2000). Thus, an organized method is imposed on the study based on a preliminary concept, hypothesis, or theory. This method can be used to conduct the thesis, as well as to help the material-gathering process and to provide the security of knowing the structure and direction of the research before actually going to collect research material (Fisher, 2007).

In this thesis, a structure was selected for gathering research material. It involves gathering data from different articles, a review of the literature, and isolation of the relevant material. Then, the conceptual framework is built, which guides the research for this thesis. This involves the deductive approach based on the existing literature review, while CRM theories are compared with previous empirical findings. Finally, some conclusions are made.

3.4.2 Qualitative and Quantitative Research Approaches

The study approach can either be qualitative or quantitative. When collecting information, the motivation behind quantitative examination is selectivity and separation from the object of the study. Interestingly, the qualitative method is subjective in nature and has proximity to the research object as its characteristics (Zikmund, 2000). Furthermore, selection of the research approach depends mostly on the research purpose and accompanying research questions (Yin, 1994).

Moreover, quantitative data includes hard data such as data on order size and profits gained, usually described as numbers, and extent of some phenomenon or determines the quantity. Qualitative methods are often related to case studies, where the researchers look at information from various perspectives and gain a deep understanding of the research problem (Yin, 1994).

In this research, a lot of data was collected in the interviews conducted in service companies. This was a reason for our adoption of the qualitative approach. Furthermore, qualitative data has been collected since the answers to the questions were asked in words.

3.5 Research Strategy

A strategy is formulated depending on the type of research technique employed, such as experience surveys, secondary data analysis, case studies, histories, and pilot studies (Zikmund, 2000)⁶.

1. The experience study technique, which involves surveys, is used by individuals who are knowledgeable about a particular research problem. Business experiments present the greatest prospect for establishing cause and effect relationships, while the aim of experiment can be helped to formulate the problem and clarify concepts rather than to develop conclusive evidence.

2. In a pilot study, data collected from the ultimate subject of the research projects, and it serves as the precursor of a the larger study.

⁶ Zikmund, G. William (2000) business research methods, Oklahoma state university the Dryden Press, Harcourt college publishers ISBN 0-03-025817-0.

3. Secondary data analysis involves reviewing data collected for another aim to clarify issues in the early stages of the research effort.

4. Case study is data from one or a few similar situations in the research area. This technique intensively investigates one or a few situations similar to the researcher's problem.

In this thesis, the focus is on contemporary issues. Each strategy has both advantages and disadvantages. Therefore, case studies are considered as the most suitable technique research strategy for this project, and the advantages of performing case studies covering entire organizations or entities can be investigated in depth. Two different companies were chosen for our case studies. This thesis presents the differences between the CRM systems adoption of these two companies and draws conclusions.

3.6 Data Collection Methods

Data Collection is a significant aspect in any type of research study. There are six categories of evidence that can be used for collecting qualitative and empirical data: case studies, documentation, archival records, interviews, direct observations, participants' observations, and physical artifacts (Yin, 1984). The type of research is decided based on time constraints. In this section, I describe the aforementioned techniques, and select the technique most suited to this thesis.

3.6.1 Documentation

Documentation is documentary information, including written reports from events and communication, administrative documents, and they are relevant to every case study topic. It is important to document all research work. Besides, there is a wide variety of documents such as proposals, progress reports, internal documents, journal branch literature, and brochures. They are used mostly for collecting secondary data (Yin, 1984).

3.6.2 Archival Records

Archival records are used commonly. These can include various types of organizational records, maps, charts, lists of names, previously collected survey data, and personal records such as diaries and calendars. These sources are mostly accessed for collecting secondary data (Yin, 1984).

3.6.3 Interviews

Respondents can be interviewed for a short period or for an extended period. Consequently, there are different forms of interviews such as focused interview, open-ended interview, and survey. In focused interviews, the main purpose is to confirm facts that have already been established and not ask questions of a

broader nature. Open-ended interviews are performed in a conversational manner, where the interviewee may respond with facts and opinions about events, as well as their own insights about various occurrences. A survey usually has more structured questions (Yin, 1984).

3.6.4 Direct Observation

Direct observation is one component of case studies, which would be decided according to the situation, for example, visiting a factory or workspace and attending meetings or classes. However, to improve the reliability of observational evidence, researchers should visit a site more than once either formally or casually (Yin, 1984).

3.6.5 Participant Observation

Participants' observation is a special mode of observation, a situation where instead of the investigator to be a passive observer, he may function in many roles within the situation of a case study and actually took part in the studied events (Yin, 1984).

3.6.6 Physical Artifacts

A physical artifact is the final source of evidence. It could be an instrument, art work, technological device, or some other visible proofs. It could be gathered or examined when a stranger visits the site of the case study. Relevant artifacts could be important components of the case (Yin, 1994).

In this research, both primary and secondary data have been used. The primary data was collected through interviews, questionnaires, and email responses. This thesis employed face-to-face interviews, which have several advantages, for example, they provide a chance for the respondent to respond freely, and reveal attitudes and feelings related toward the use of visual aids, which were used during the interviews conducted in this thesis.

For this purpose, email correspondence was used as well. Secondary data is the data collected from other researchers' works such as articles, peer reviews, and journals and books.

The questionnaire comprises three parts for gathering responses from hotels in Thailand with regard to the implementation of a framework for CRM systems. The framework includes customer benefits, and business benefits that can be achieved by using the system. In addition, the sources of data in this thesis are interviews and documentation. Documentation was initially applied in collecting secondary data, while the primary data were gotten using interviews. Moreover, the interviews can be examined to be open-ended, and they were conducted in

Thai because the respondents were very fluent in that language and could express themselves well.

I further developed the CRM systems and approaches to CRM measurement described by the companies. Since the interviews were conducted in a conversational manner and the respondents had the freedom to answer in their own words based on their opinions and views, the responses are very important from the viewpoint of the outcome of this thesis.

3.7 Sample Selection

This thesis is conducted in a research domain, in which it is often impractical, impossible, or too expensive to collect data from all the potential units of analysis covered by the research problem. The target population is a specific group related to the research project. The group possesses information relevant to the researcher (Malhotra, 1996).

A sampling interval facilitates researchers to estimate some unknown characteristics of the population (Zikmund, 2000). However, it is not applied to this research either quantitatively or qualitatively. According to Miles and Huberman (1994), you cannot study everyone, everywhere, doing everything. The qualitative research herein is based on case study research principles and depends on the conceptual framework, which was developed from prior theory (Perry, 1998).

For collecting samples, essentially, two basic sampling techniques are used: probabilistic sampling non-probabilistic sampling. In probabilistic sampling, every element in the population has a known non-zero probability of selection. Sampling units are based on personal judgment. The convenience sampling method is a non-probabilistic method, involving purposeful or judgmental sampling, which allows the researcher to use their judgment for selecting cases. This is the best way to answer the research questions in order to achieve the research objectives (Zikmund, 2000).

Different types of samples can be drawn, such as stratified samples, quota samples, and cluster samples (Zikmund, 2000). However, the sample size is usually small. Furthermore, sampling saves time and data collection effort, and it is more manageable (Saunders et al., 2000).

In this thesis, the sample collection process followed a few judgmental criteria. While choosing the individuals to interview, judgment sampling was applied due to the fact that it is vital to get the best respondents with reasonable knowledge of their firm and also the CRM approach. The first sample criterion was organizations involved in the hotel business with many branches worldwide.

Therefore, the research question is quite clear and general. The chosen hotels are famous and are located in Thailand. They also have experience in CRM.

The reasons for this selection were accessibility and good relationships with the respondents in this case study.

Based on this thesis, the CRM concept is quite new and is still evolving, I have specifically chosen two hotels in Thailand and found two organizations, the Mandarin Oriental Hotel and the Grand Hyatt Erawan Hotel, which matched the criteria. They were also willing to participate in the research to find out the differences and similarities between them.

The choice of respondents is exceptionally important: if the interview is carried out for the wrong persons, the research might turn out worthless or useless (Holme and Solvang, 1991). A very important part of this research is to get in contact with people, who are experienced and knowledgeable with the working of CRM system in firms. Respondents were chosen and perceived to be the most suitable people both by their hotels and by themselves.

3.8 Data Analysis

Data analysis warrants treating the collected data fairly and intelligently (Zikmund, 2000). It involves recording, observing, and making descriptive statements. Before analyzing data, researchers must think about two general analytical strategies by relying on theoretical propositions or developing a case description (Yin, 1994).

The most common strategy is depending on theoretical propositions, similar to the gathering of data, which is dependent on research questions gotten from prior studies. The discoveries of this research will be related with the findings and results of earlier studies. The development of a case description consists of a strategy, but it is less favorable and should be used only when little previous research has been conducted.

Following the process, analysis begins after data collection is complete. During the analysis phase, interrelated procedures are performed to sum up and rearrange the data (Zikmund, 2000). In other words, during the process of analyzing data, a researcher processes the information to make it meaningful, and the output comes out as numerical records signifying the observations made (Raulin and Graziano, 2004).

Thus, data analysis is not only a tool, which can make sense out of the data collected during the research project, but when conducted properly, it contributes more to knowledge and treats other researchers in an equally ethical manner (Dane, 1990).

Data analysis consists of three concurrent steps of activity, namely, data display and conclusion drawing, data reduction, and verification. Data reduction involves sharpening, sorting, focusing, discarding, and organizing of data in such

a way that allows for final conclusions to be drawn and verified (Miles and Huberman, 1994). Yin (2003) suggested the following two additional specific techniques of analyzing case studies:

1. Cross-case synthesis: this involves the comparison of two or more case scenarios across single case studies or within a multiple case study.
2. The logic model explicitly stipulates a difficult chain of happenings over time. A cause-effect-cause method is used in presenting the events. The preceding stage is a dependent variable (event) and what happens next is the independent variable (causal event).

According to Miles and Huberman (1994) in this research, data analysis is based on the aforementioned three steps, as well as on case analysis and cross-case analysis. Case analysis is usually used in this stage by comparing and involving the collected information with the theories used. Cross-case synthesis is used to compare the data of two companies operating different hotels.

Cross-case analysis provides a comparison of chosen theories. It also compares the differences among experiences, results, and processes. The first step after the interviews is to organize the information in accordance with the research questions and compare it, as described above.

3.9 Research Quality Criteria

In assessing and evaluating the measurement of quality in any research, two important concepts are usually applied; validity and reliability.

3.9.1 Validity

Validity covers a theory, model, concept, category, the ability to measure, an instrument for measuring, questions intended to be asked, and the questions in which researchers are interested. If the measures are valid, the question of validity is defined by measurements. The validity of a measure depends on the referred concepts and how a measure is designed (De Vaus, 2001). Validity is considered as the measurement of a problem (Zikmund, 2000).

In other words, validity can be appropriated at different levels of a constraint, but, at the same time, it is especially important in experimental research (Raulin and Graziano, 2004).

The role of reliability is to minimize errors and biases in a case study. This is because case studies are also a kind of empirical research, when judging a case study research's quality the following four tests can be useful (Yin, 1994).

The Four Tests

Test	Description
Reliability	Demonstrating that the steps of a study can be repeated to obtain the same results.
Construct Validity	Establishing correct operational measures for concepts being studied to enhance accuracy.
External Validity	Building the domain where the study's findings can be generalized.
Internal Validity	Establishing causal relationships, whereby certain conditions are shown that would lead to other conditions, as distinguished from spurious relationships.

Source: Adapted from Yin 1994, pp.33⁷

Validating the current study involves developing hypotheses from a theory and a concept. Construct validity is based on research objectives and reasons. The researcher needs to have a resolute meaning of the measure by launching and understanding convergent validity and discriminant validity (Zikmund, 2000).

3.9.2 Reliability

Reliability is a part of measures free from error. Results are generated consistently depending on the time and the situation. However, reliability states that one can obtain when similar results over time and across situations, and it is a necessary condition for validity (Zikmund, 2000). Therefore, highly reliable results should be independent of the selected respondent and the researcher (Eriksson and Wiedersheim, 1982). According to Yin (1994), reliability can be checked after the research is completed. All researchers in same field would arrive at the same conclusion.

In other words, there are three different categories of reliability: (1) inter-rater reliability; (2) test-retest reliability; and (3) internal consistency reliability (Raulin and Graziano, 2004). Furthermore, reliability can be essential for obtaining a valid measure of a perspective (Neuman, 2003).

Such measures can produce the same results repeatedly, and tests or procedures produce similar results under constant conditions on all occasions. Ways

⁷ Yin, R.K., 1994, "Case Study Research - Design and Methods", Applied Social Research Methods Series, 5, 2nd ed., Sage, Newbury Park, CA.

to increase reliability include planning interviews without acting like a boss and designing questionnaires based on theories (Yin, 1994).

This thesis tries to choose articles from peer-reviewed journals to ensure the validity and reliability of research. To enhance validity, the supervisors must provide critical inputs regarding the research questions and the interview guide. The questions in the interview guide are relevant to the study and are based on the research questions. In fact, multiple sources of information, both documentation and interviews, are important when collecting data by using multiple case studies. Consequently, validity is increased by conducting face-to-face interviews with conceptualized research questions in two service companies, which are very concerned with the problem area.

The reliability of this study was assessed using a questionnaire related to the research questions. The questionnaire was sent to CRM experts who are specialized and have experience in the area of interest. I believe that I have chosen the right respondents. As mentioned earlier, it is very important to put the right questions to the respondents. This is to ensure that I get the most knowledgeable responses about their companies and their needs.

Data were mainly collected from hotels through interviews with open-ended questions, and the interviews were handwritten in a notebook. This enhanced the reliability of the research because both respondents from the two hotels were very fluent in Thai and English. Moreover, they did not have problems in understanding the questions and expressing their opinions. To determine the reliability and validity of the interview, the interview guide was sent to the CRM experts before commencing the interview. They could find their answers and get a general idea about the major points. Lastly, the participants were expert on CRM topic and were able to answer clearly questions about the stated problems.

In this thesis, I construct a framework of CRM systems benefits based on an extensive literature review of implementation, business benefits, and customer benefits. Hence, the framework lists both the advantages and the CRM parts that are elements of these advantages. Also, case studies identified with implementation of practical CRM systems are deliberated to know if the gains viewed in the framework were achieved.

Moreover, the framework was applied through a considerable search for CRM implementation case studies within the two Bangkok-based hotels, namely, the Mandarin Oriental Hotel and the Grand Hyatt Erawan hotel. Then, a qualitative research approach was applied to the selected case studies of CRM system implementations. The gathering of empirical data was accompanied by design suiting the framework. The observations are well documented, while the information and the system were reviewed and structure to include extra considerations in department areas (Shanks et al., 2004).

4 Chapter 4: Conceptual Framework

The previous chapter provided a review of the theory and the methodology according to the research questions. The conceptual framework is described in this chapter. The conceptualization, research questions, and limitations of this study are given here. The chosen theories are assessed, and a visualization of the emerged frameworks is presented.

4.1 Conceptualization

A conceptual framework describes, “either graphically or in narrative form, the main things to be studied - the key factors, constructs or variables - and the presumed relationships among them” (Miles and Huberman, 1994). Hence, I use a framework to present the theories and models most suitable for addressing the research problem. I also describe how the theories are related to each other.

4.2 Research Problem and Research Questions

The research problem explains the benefits of CRM system implementation in hotels. Based on a review of the literature, the questions are stated as follows:

Research Question:

1. How can a framework of CRM systems be described?

This question intends to continue to probe into the motives relating to the framework of CRM systems benefits and the practical implementation of CRM systems based on the case studies. The framework proposed herein includes both CRM systems benefits and CRM components that are drivers of these benefits.

2. How can the benefits of CRM systems for hotels be described?

This question relies on the viewpoint of hotels that have successfully implemented CRM systems.

3. How can the benefits of CRM systems for customers be described?

This question relies on the theory and the hotels' viewpoints on customer benefits of CRM systems.

The created conceptual framework is not just thinking about new things. Reasonably, it can be carried out by acting upon knowledge gotten from literature reviews. The aim of a literature review like that is representing the raw material where the conceptual framework is gotten from (Fisher, 2007).

4.3 Limitations

A limitation of this thesis is that the insights provided herein are based on only two case studies, namely, the Mandarin Oriental Hotel, Bangkok, and the Grand Hyatt Erawan Hotel, Bangkok. Both hotels are reputed chains in Bangkok and they use CRM systems to store customer data. Both hotels are limited within all their internal department and their customers.

Although the framework of benefits proposed herein has been developed from an extensive review of the literature on CRM systems, the scope of benefits is limited to organizations (all department areas) because these are the primary domains of CRM systems.

Furthermore, both hotels mentioned above were selected because it is interesting for the researcher to investigate the differences between their CRM systems in Bangkok. The required interviews were conducted by managing relationships with the CRM officers at the two hotels.

This study is also limited by other factors:

- Focus on the potential benefits of CRM systems from the organization's perspective. The opinions and appreciations of end customers were not considered.
- Focus on the general concepts, factors, and benefits of CRM systems. This thesis is not intended to be a study of other hotels or service organizations that can get the same benefits from CRM system implementation.

4.4 Emerged Frame of Reference

Organizations use CRM based on both defensive and offensive motivations (Buttle, 2004). In the hotel industry, defensive motivations originate from competitors' successful implementation of CRM and from the possibility of losing customers via poor organization management. Offensive motivations originate from the desire reduce costs and increase revenues through improved customer satisfaction.

Regardless of the motivation, CRM systems help organizations to generate more useful information about their customers, and organizations can possibly benefit by using such information.

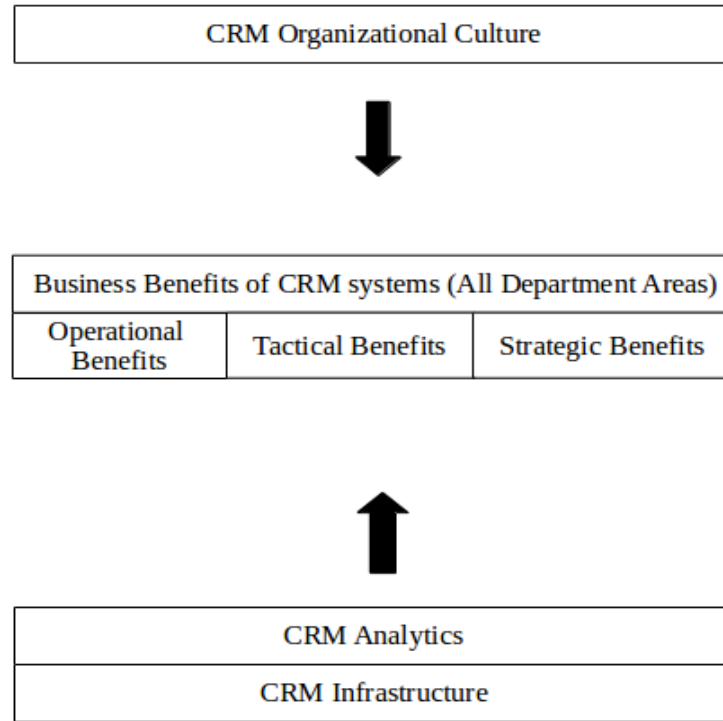


Fig. 1. Emerged Frame of Reference⁸

In this section, a framework of benefits developed based on the literature on CRM systems (Figure 1). The framework consists of three aspects: 1. domain (CRM systems implementation and all department areas that benefit from it); 2. drivers of benefits; and 3. grouping of the identified benefits based on the business levels that experience said benefits.

Despite the fact that CRM frameworks were made to take care of operational and strategic issues, they have subsequently advanced to bolster key upgrades (Dyche, 2002). The benefits of CRM implementation can be seen at the operational, tactical, and strategic levels of management (Anthony, 1965) in all departments of an organization.

The proposed framework also contains the drivers of CRM system benefits, including technological drivers (CRM infrastructure or operational CRM components) and analytical drivers (CRM analytics) (Shanks et al., 2004).

⁸ Source: Adapted from Jayaganesh, Malini; Shanks, Graeme; and Carlsson, Sven, "A Framework for Understanding Customer Relationship Management System Benefits" (2004).

The non-technological driver of organizational CRM culture is included in the framework as well. As with all types of information systems development, it is apparent that the technological elements alone cannot take for achievement of advantages. Establishing the technology of CRM on archaic corporate arrangements is much the same as clearing the way (Dyche, 2002).

In spite of the fact that innovation is an empowering influence, the best technology can't make inefficient processes better. An organizational arrangement that is client driven and is bolstered by procedures, business methodologies and individuals is essential too in bringing these gains very close.

It will be hard to know whether culture or technology brings about more success when technology is applied in strengthening and building a culture of customer service (Peppers et al., 2000). The next part of this thesis comprises of a point-by-point clarification of advantages grouped according to management level each benefit suit well.

CRM systems implementation

The first area is CRM systems implementation. CRM consists of a business strategy that requires planning, commitment, and change, and this is required of employees as well. Ramsey's (2003) four strategies for implementing CRM systems are as follows⁹.

- **Customer**

Organizations formulate their service and main role strategies to identify their target customers.

- **Channel**

Organizations must evaluate the appropriate and potential channels available to them.

- **Brand**

Brand can pay real dividends, increase revenues, and have greater capital efficiency for many organizations.

- **CRM applications choices**

CRM applications improve organizations and help them achieve their ultimate aim.

⁹ Ramsey S, (2003) "Introduction: strategy first, then CRM", The Ultimate CRM Handbook, McGraw-Hill, New York, NY.

Business benefits of CRM systems

CRM systems can provide business benefits in accordance with the three levels of management below:

Benefits for operational level of management

– Improved customer service

Articulation of client information gives employees information about clients, in this way offering them some assistance with providing better service when they meet (Dyche, 2002). By aligning individuals, procedures, and technology together, CRM frameworks can help companies in giving reliable and wonderful customer service (Gurau et al., 2003; Buttle, 2004).

– Improved customer data management

Client information is documented within various functional parts within firms and on various channel (Turnbull, 2004). To effectively manage personal customer relationships, firms must build a customer-centric view (Ryals et al., 2001). CRM systems find to integrate customer data and provide the means to improve customer data quality.

Benefits for tactical level of management

– Market segmentation

Using CRM systems, markets can be segmented on the basis of physical attributes or behavioral patterns. Organizations are focused on customer needs and expectations (Kotler et al., 1998).

– Improved decision-making, planning and forecasting

Firms can enhance planning and analysis, and create more precise forecasts using top quality customer information that is well integrated from CRM systems. Moreover, CRM frameworks can often create improvised and predefined documents that can be applied in support roles like forecasting, planning, and management of resources. Thus, they can aid improved and fast decision making (Dyche, 2002; Jayaganesh et al., 2004).

Benefits for strategic level of management**– Improved innovative use of CRM systems**

CRM systems provide information about customer behavior and preferences. Hence, the research and development department of an organization can use a CRM system for product innovation (Brown, 2000; Jayaganesh et al., 2004; Jagielska et al., 2005).

– Improved customer satisfaction

Customer satisfaction deals with the maintenance of a good perspective through remembering guests or clients during calls, monitoring service delivery, making use of discretionary effort, building trusting relationships, and replying clearly to the needs of customers (Bateson and Hoffman, 2002).

– Customer delight through service

CRM systems allow employees across the organization, regardless of department, to perform customer care, customer service, and customer information management functions (Ryals and Knox, 2001).

– Improved business performance

A successful CRM system implementation can help an organization to gain a competitive edge in the hotel by boosting a favorable profile among their guests, thereby strengthening their leadership position in the market (Buttle, 2004; Dyche, 2002; Handen, 2000).

5 Chapter 5: Empirical Findings

This chapter introduces the case studies and the empirical data from the interviews. Brief introductions of both the Mandarin Oriental Hotel and the Grand Hyatt Erawan Hotel are given. The empirical data were collected via interviews with the two CRM experts in the hotels.

5.1 Case Study One

The Mandarin Oriental Hotel Bangkok¹⁰

Established in 1876 as the first luxury hotel in Thailand, the Mandarin Oriental Hotel in Bangkok is recognized “as one of the world’s most legendary hotels”. Thus, It was relatively obtained by the Mandarin Oriental Hotel Group, and the organization has two “flagship” hotels, whose brands represent the best in the hospitality. The hotel has 374 luxury rooms and suites and 10 restaurants (Oriental Group, 2014).

The aim of the hotel is to recognize that a business is built on service, and its employees endeavor to make the guests’ staying experiences special. It is defined a “hotel within a hotel” for its 1,300 plus employees, as they can relax and feel at home in the hotel.

The hotel has invested huge capital in CRM systems, while the hotel group has global IT performance. CRM system implementation is usually customized to fit local requirements. Consequently, “profit attributable to shareholders in 2013 was US\$ 93 million”, and a statement level for the Hotel Group, “compared with US\$ 69 million in 2012, excluding non-trading items” (Oriental Group, 2014).

At this point, the hotel focuses on their mission by

- Being the best
- Acting with responsibility
- Delivering shareholder value
- Working together as colleagues
- Playing by the rules
- Promoting a climate of enthusiasm
- Delighting customers

Furthermore, the Mandarin Oriental continues to lead the hospitality industry’s digital revolution, has invested significantly in research, and employs the most advanced technology available. Moreover, the Group provides personalized service, and each hotel has technicians available on site to ensure that events and equipment run smoothly; this covers events from personal laptop issues to arranging a convention up to 500 people (Oriental Group, 2014).

¹⁰ <http://www.mandarinoriental.com>

The Mandarin Oriental Hotel Group is executed to supporting technology that is seamless, serves, and efficient to increase a visitor's stay (Oriental Group, 2014).

Interview context of Mandarin Oriental Hotel

Successful CRM systems implementation

During the interview, the interviewee presented the system handbook to the researcher. The Mandarin Oriental is the most luxurious and legendary hotel in Thailand. Furthermore, large numbers of guests from every country, and quite a few are businesspersons. The hotel distributes its inventory through tourism agencies, the Internet, and dealers in other countries.

As part of its CRM systems implementation, the Mandarin Oriental Hotel provides information from the handbook because its Bangkok chain uses a central system from Hong Kong. The Mandarin Oriental Hotel Group has implemented CRM systems by PAR Technology Corporation.

The Vice President of information technology at the Mandarin Oriental Hotel Group (MOHG) stated that the hotel keeps record of every customer in order to equip the hotel employees with accurate information regarding each customer and to provide great experiences and lasting guest service, which is a core element of the luxury hotel industry.

The hotel has chosen SMS GlobalGuest to solve these issues. A SMS GlobalGuest assesses a centralize client database and makes important guests information accessible to employees at the Mandarin Oriental Hotel Group properties through web and fast internet service connections (PAR, 2010).

Infrastructure of the CRM system technology component:

- Microsoft SQL Server 2008 64-bit
- SMS Diplomat
- SMS Host Hospitality Management System
- Microsoft Dynamics CRM 4.0

Additionally, the officer explained the reason for using SMS Global Guest to record guests' information. As a guest goes to a group hotel, she or he would be treated exactly the same way as his or her previous visit. For a first-timer, he or she would be fascinated with an exceptional experience that the hotel delivers.

They mentioned facing some problems in CRM systems, which stem from the lack of a centralized system and make it difficult for hotel group to present consistent experiences to customers staying at multiple properties throughout the hotel chain. This presented a particular challenge with VIP guests.

They are improving the SMS Global Guest system. The hotel group is extending the solution to reservations coming from different sources and is currently working on new capabilities and features to boost the SMS Global Guest system, adding more refined calculations for deciding a the value of a guest to the company (PAR, 2010).

Business benefits of CRM systems:

Hotel officers said the hotel group decided not to make use of card based loyalty programs to know the information of guests, which is normally the most simple style of collecting data for measuring the relative value of a guest to a company (Oriental Group, 2014). After implementation of the CRM systems, the hotel group experienced an increase in the number of customers: 44.6% in 2011 and 53.5% in 2012. After the number of customers increased, the hotel conducted a customer survey called Asian Market Intelligence (AMI) to garner insights from each segment and to provide services accordingly.

Furthermore, they said that interaction can take place both before and after the stay of a guest, and also while the guest is still within the premises where a lot of service choices are accessible, such as those with hotel rooms, housekeeping, bellman, reservations, the front desk, food and beverage, bar, and so on. All the purchased service information of each customer is recorded individually (PAR, 2010).

SMS GlobalGuest can leverage technological innovation to improve the customer information used to measure the relative value of each customer by tracking their business activity. Every property can give guests services that suit the level of their value and businesses like this a now consistent in the entire hotel chain. Thus, the hotel chain could reduce integration effort by up to 75% (PAR, 2010).

Additionally, they said that guest information is important for improving services. It is a vital part of daily business processes and customer service. For instance, a wine captain will be aware of a guest preferable type of wine Cabernet Sauvignon, at the same time a reservation agent will know the kind of room a guest prefers. Thus, it can enable real-time access to guest information (PAR, 2010).

Mandarin Oriental hotel has made use of systems in optimizing the income per room available in every hotel and weigh its sales force efforts so far. To help its hotel, the hotel group has put in place strategically placed sales offices all over the world. An erudite Global Account Management system makes sure that production statistics worldwide can be seen from any place in the network (Oriental Group, 2014). The hotel works with similar luxury brands to access rich people and builds gainful relationships with new visitors.

State-of-the-art marketing partnership with big global companies like MasterCard, Visa and others have boosted the income and boosted brand awareness from every property.

The website of the Group gives comprehensive information on all its luxury properties globally. Nevertheless, within the sites, they are accessible in various languages, and also in mobile compatible format. Increased innovation and technological booking devices permits clients to easily and immediately find out about packages and prices that suits their needs and reserve the accommodation they prefer by confirming it. Also online marketing methods, extensive ROI-driven, and search boosts guest awareness (Oriental Group, 2014).

Customer benefits of CRM systems:

The CRM systems in the Mandarin Oriental hotel makes use of an advanced database management system, which keeps track of the behaviors and preferences, and also the frequency of their visit, multi-property usage, and spending patterns. Working with this, the employees stated that the hotel group frequently interacts with the best service clients through personalized messages and great offers. Leisure marketing promotions are modeled to drive global and local demand, at the same time performance is constantly monitored (Oriental Group, 2014).

Moreover, they not only use CRM systems but also provide classic CRM to service. When a guest walks into the hotel, the receptionist finds out whether he (or she) is a first-time or a regular customer. When he or she comes for first time, the receptionist will greet them by saying “Welcome to Oriental Hotel”; when he (or she) happens to be a regular guest, the receptionist will greet them by saying “Welcome back to Oriental Hotel”.

Moreover, the Mandarin oriental hotel’s Bangkok chain will host a celebration party for a guest if he or she visits the hotel 25 times. Also, when a guest visit the hotel’s restaurant, the staff can be reminded of the guest’s name and bring their favorite high-service quality to them through prestige treatment. The hotel employees have responded enthusiastically to the solution. Good employees are aware of customer information and customers’ favorite things to impress the customer with their service. If the customer is impressed and satisfied with the hotel, they come back to the reward hotel.

Hotel officers said that the customer strategy of their hotel (multi-skilling program and LEGENDARY PEOPLE program) knows each individual guest’s favorite things and accommodates their individual wishes. It is fundamental for customer treatment. Furthermore, the employees have to treat all customers as very important persons and cater to their individual requirements (Oriental Group, 2014).

5.2 Case Study Two

The Grand Hyatt Erawan Hotel Bangkok¹¹

The hotel was established in the mid-1950s, after the government made a decision to build the 5-star Erawan Hotel on the same area as the Grand Hyatt. In 1991, the Erawan Group took over the hotel. So the hotel presents a unique blend of historic city retreat features with traditional Thai hospitality, resort-style amenities, as well as suites and luxury rooms (Erawan Group, 2014).

The hotel has 380 guest rooms and luxury suites to lodge up-market customers who worth the hotel as an oasis of tranquility, located conveniently close to the heart of downtown Bangkok's business and shopping district. Thus, business and leisure travelers are well assisted by the hotel, which has a direct broadband and business center access in every hotel room (Erawan Group, 2014).

Third-party hotel operators include Hyatt International, which is among the world's largest with proven a track record, established system, worldwide reputation, and strong financial position. Besides, in 2013, income from rental and services increased 13% to THB 204 million. The hotel focuses on CSR policies and three business strategies (Erawan Group, 2014).

Sustainable platform strategy:

This ensures stability and sustainable growth of organizations by developing systems, human capital, core competencies, information database for decision-making, and core corporate culture.

Growth strategy:

Develop a well-diversified hotel portfolio to provide appropriate return.

Return enhancing strategy:

Continuous program to improve operating assets and optimize returns through an asset monetization program.

The Hyatt Hotel has invested in the CRM system, which is one of the most successful ideas emerging out of the business aspect, and it has been set to the test in a lab hotel. Additionally, Hyatt International's Chief stated that the organization needed to make a better way guests check in. The IT department, together with the room operations team, decided to make every associate a host and get rid of the front desks (Jena, 2013).

¹¹ <http://www.bangkok.grand.hyatt.com>

The IT team built a mobile app that untethered front desk officers and allowed them to interact with customers in more personal ways, as well as move directly into the lobby lounge. According to the chief of Hyatt, this integration allows for seamless data transfer between Cvent and envision. Thus, all RFPs would automatically be sent through the event supplier network and appear in envision.

Interview context of Grand Hyatt Erawan Hotel

Successful CRM systems implementation

In this interview, the hotel's officer provided information from a handbook because the hotel uses both central systems and individual systems in Bangkok. The Grand Hyatt Erawan hotel is a five-star hotel located in the business center of Bangkok. It mostly hosts large numbers of guests from Asia. They come from the Internet, travel agencies, and airline package tour channels. Hotel officers said that the Grand Hyatt Erawan Hotel adopted the CRM system developed by Epicor.

They referred to the Vice President of hotel (finance and technology) in Hyatt International. He said the hotel is in need of a solution that can offer huge financial management capability, also with the ability to work in environments with many languages, and add over thirty more currencies (Epicor, 2012).

Hotel officers said that Epicor's iScala Hospitality was chosen for its flexible platform, multilingual and multi-organization performance, and the organization's global reputation. They explained that Epicor's iScala can comprehend the depth and breadth of customer management from hotel to after-sales, and its use would enable rapid operations across the hotel's processes.

Infrastructure CRM system technology components (Epicor, 2012):

- All modules built on a collaborative business framework Microsoft .NET
- Field service
- Web services-based systems
- Organization management and project management
- Manufacturing Execution Systems (MES)
- The software package called integrated Enterprise Resource Planning (ERP)
- Payroll services and other capabilities
- Supply chain management
- CRM system has five modules
 - Contact management
 - Marketing management
 - Lead and opportunity management
 - Case management
 - Mobile connect

Problems associated with CRM systems are back office installation and insufficient knowledge among the staff of some functions such as accessing customer information from another location. Therefore, the hotel is trying to improve iScala Hospitality by using all of the hotel's basic information and standard industry measures. Hyatt International has a set of measures that enables the management to be more proactive toward market and business changes (Epicor, 2012).

Business benefits of CRM systems:

With Epicor's iScala Hospitality, hotels can integrate PMS and POS systems. The system can synchronize information such as recipes, cash and sale, city ledger, labor, and any other things that the hotel would like. Also, the hotel follows legacy systems, which cannot modify to the hotel's changing needs. Thus, Hyatt International Chains has been confronted with the option of developing its current system or progressing to an outside supplier to help improve the organization (Epicor, 2012).

The Grand Hyatt Hotel has an efficient management system because there is real-time hour-by-hour financial and operational reporting to track bank, daily cash, and revenue management and reconciliation, thus reducing daily cycle times. Moreover, hotel can create an effective and efficient method of data sharing between corporate office and subsidiaries worldwide in the hotel chain.

Hotel officers said that Hyatt's exclusive sales automation application (Envision) allows their National Sales Force (NSF) and Worldwide Sales Force (WWSF) to have a seamless, direct connection to performance, booking information and including access to availability for all properties (Hyatt Group, 2014). They demonstrated that the hotel business could involve controls and audit ability to enhance cost management, requisitioning processes, food and menu costing, as well as access to data within each property.

According to the hotel, Epicor's iScala Hospitality system can be adopted both within a country and in a centralized shared data services model. Besides, they said that Grand Hyatt International will gain from the use of a centralized back office solution in Germany, Italy, Switzerland, New Zealand, Belgium, Australia, France, etc. In-house information, such as that about the centralized environment and regional offices, is online. So, it can be customized, compared, and reported across different regions and hotels (Epicor, 2012).

Customer benefits of CRM systems:

The officers presented that Grand Hyatt Erawan Hotel uses CRM systems with an alert feature to improve the quality of guest contact and service. For example, Epicor CRM can send alerts of check in to the required members of the

executive committee whenever a VIP visitor checks in with the goal that they can make themselves available to meet and welcome the visitor. When a VIP visitor eats at one of the eateries, F and B officials and the front office administrator get an alert and normally drop by to meet the visitor (Hyatt Group, 2014).

Also, Hyatt Gold Passport member benefits and awards can provide many advantages to make reservations at Hyatt even more rewarding and with greater discounts. The hotel allows guests to lodge a complaint or re-open a service request that is already closed. A courtesy call alert is sent automatically to Grand Hyatt Club manager or contact management to call the customers back and confirm that she (or he) is fulfilled.

Whenever the customer puts a call to the front desk to get the bill ready, the request immediately prompts many jobs to various departments to start a lot of tasks that are needed and carried out to make sure the check-out is smooth. This involves luggage pickups, airport drop-sell, and mini bar etc. (Hyatt Group, 2014).

Employees also try to fulfill the requests made by guests everyday during their stay in the hotel, such as wake up call, afternoon tea, finessing, and their favors. The officers said that CRM systems allow the users to schedule recurring requests. These requests are terminated automatically when the guest checks out.

CRM systems comprehensively record visitor history and preference information keeping in a bid to help in personalizing customer service. When a customer asks for room amenities or special services, the data gets recorded in the database. These data is frequently accessed by the Guest service departments (Hyatt Group, 2014).

6 Chapter 6: Revised Framework and Data Analysis

This chapter contains a revised framework and analysis of the empirical data. The analysis is presented in an order that addresses the research questions of this study. In the analysis, empirical data is compared with CRM theories. Furthermore, a cross-case analysis, such as that between the Mandarin Oriental Hotel and the Grand Hyatt Erawan Hotel is performed in accordance with the theories.

6.1 Revised Framework

This part analyses the collected empirical data. CRM systems are related to all departments of an organization, and it has been observed that the benefits generated by these systems typically expand beyond the scope of these departments. The scope of the benefits framework is limited to all departments of an organization. In the cases studied in this thesis, CRM systems have been implemented successfully. Hence, these organizations can extend the set of drivers to include customer benefits and external partners benefits, as discussed below:

6.1.1 CRM system benefits to customers

CRM system benefits extend beyond customer benefits.

- **Employee skill improvement**

Employee skill improvement can be focused on customer profiles, understanding customer needs, and technology learning, all of which influence their interactions with customers (Kim et al., 2003).

- **Improved service quality**

CRM systems can improve on customer service quality or the customer base required to achieve monetary or non-monetary organizational goals. It relates to the benefits of a business relationship from the supplier's perspective (Wilde and Hippner, 2004).

- **Appropriate response to customer requests**

To manage various communication channels effectively, managers endeavor to monitor various business processes such as the number of business variables and among others (Kim et al., 2003).

- **Enhanced personalized service**

The one-to-one service strategy enables employees to fulfill customer needs and helps achieve customer satisfaction via personalized service. Personalized service should be better than routine service (Dwayne, 2006).

– **Product and service customization**

Value propositions must be targeted at the appropriate market segments in business processes, such as payment methods, delivery channels, and product diversity. Doing so will allow business processes to recognize organizational goals and imprison new customers (Wessling, 2002).

6.1.2 Benefits of CRM systems implementation to external partners of an organization

CRM systems benefits are experienced in the organization's relationships with its external partners.

1. Improved Value Added Partnerships

CRM systems consist of process integration beyond the traditional CRM areas of organization, such as business-to-business trading, customer service, and supply chain management. Sharing of coordinated client related information encourages the formation of cross-functional procedures with aspects, like finance, product development, logistics, manufacturing (Buttle, 2004; Shanks et al., 2009). For example, by integrating CRM systems with supply chain management, the Hyatt hotel can create up to the moment reports through Epicor iScala Hospitality, with every day loss and profit statements, while at the same time having quick access to the inventory through the stock management process of the solution (Epicor, 2012).

2. Improved Channel Management

One part of CRM systems is finding out client channel preferences and CRM systems encourage advanced channel management (Falque, 2000). Another part involves increasing an organization's profitability by ensuring that the most effective channel is used for specific products and customers. Moreover, the culture of relationship management is extended to other external players such as suppliers, legislative departments, and other business partners. The Oriental Mandarin Hotel Group makes use of the CRM innovation to link with key global distribution channels and also travel online sites that are visited by consumers and travel planners. Also, free phone reservation numbers are provided by main source markets around the globe, as well as an on-line call back service if requested (Oriental Group, 2014).

6.2 Revised CRM benefits framework

As discussed in previous chapters of this thesis, the CRM benefits framework has been revised (Figure 2) to develop its scope from business benefits (all department areas) and include customer benefits, as well as external business partners (Shanks et al., 2004).

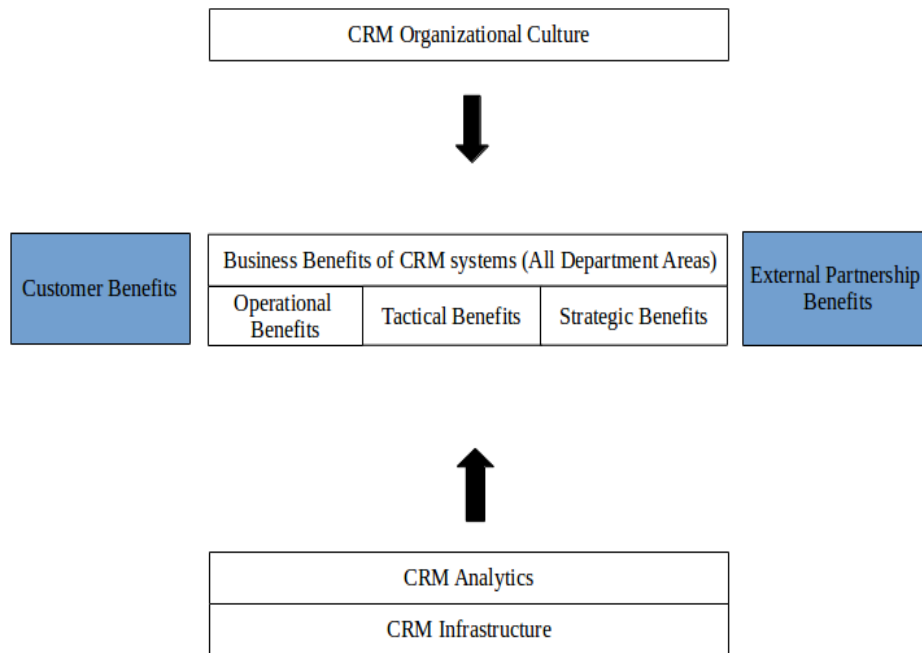


Fig. 2. Revised CRM Benefits Framework¹²

The revised framework and the refined research questions are significant in CRM systems, although most CRM programs start off as small, pilot projects with specific objectives, and they often have a limited impact on the business. The generated benefits often spill over into other areas of the business, triggering subsequent enterprise-wide CRM adoption (Dyche, 2002).

Finally, CRM systems can evolve into the core infrastructure that states the future of a business. The case selection process in this thesis was based on three broad areas: CRM systems implementation, business benefits of CRM systems, and customer benefits of CRM systems. The drivers that enable the achievement of CRM benefits are CRM infrastructure, CRM analytics, and organizational CRM culture. CRM systems can be discussed broadly as well as in an in-depth manner to evaluate and understand the CRM benefits framework (Krueger and Casey, 2000).

¹² Source: Adapted from Jayaganesh, Malini; Shanks, Graeme; and Carlsson, Sven, "A Framework for Understanding Customer Relationship Management System Benefits" (2004).

6.3 Case Analysis

6.3.1 Case Analysis One

Mandarin Oriental Hotel Group

Successful CRM systems implementation

According to Ramsey (2003), four main organizational strategies, namely, customer, channel, brand, and CRM application choice related, should be planned before CRM system implementation. In this case, the customers are mostly businessmen. In terms of branding, the Mandarin Oriental Hotel is the most luxurious and legendary five-star hotel in Thailand, and its 11-bladed fan ties logo is a registered trademark internationally. It one of the most highly recognized logos in the global tourism industry. The hotel group distributes its stock through tourism agencies; the Internet, dealers in other countries, such as agoda.com, hotelcombined.com and mandarinoriental.com; and so on.

Furthermore, the Mandarin Oriental Hotel Group uses the SMS GlobalGuest Hospitality System, which was created by PSMS using the Microsoft Dynamics CRM platform, as its CRM application. SMS GlobalGuest provides a centralized web-based guest information database of guest information available to employees at the hotel properties. In spite of the fact that building a focal database sounds very easy, it can really be hard, particularly without a customary client loyalty program set up (PAR, 2010).

In addition, matching names alone presents challenges, for instance, varieties of the name Ann can include Anna, Anny, and Anita, while variations of the name Brise can include Breizz and Bryse. Gone are the days when every individual had just an email address or a phone number (PAR, 2010).

Thus, SMS GlobalGuest connects a set of matching criteria including email address and phone number to establish matches between the local property database and the hotel's centralized database. All this is accomplished without compromising the guest's privacy or exposing sensitive information.

Business benefits of CRM systems

A detailed explanation of the business benefits can be given by categorizing them according to the level of management for which each benefit is the most appropriate. The Mandarin Oriental Hotel Group can accrue eight business benefits from using CRM systems. Among them is improved customer service, which can result from employees' enthusiastic response to the solution. Good employees know a lot about customers and their favorite things, which is fundamental to providing good customer service.

Improved customer data management can allow employees to access individual properties and their databases, which are populated with information. So, hotel staff can serve guests in all 24 branches. To understand the target market, the hotel conducted a customer survey created by Asian Market Intelligence (AMI). Moreover, improvements in terms of decision-making, planning, and forecasting can facilitate the provision of personalized service to all guests. The oriental hotel uses SMS GlobalGuest system to plan for their guest reservations.

SMS GlobalGuest by PAR Technology Co. can be improved through the innovative use of CRM systems, for example, by evaluating the centralized customer information database. It also can provide the foundation for future systems, in which individual applications can interact with the hotel's overall hospitality solution. To achieve improved customer satisfaction, the hotel must understand customer needs by listening to their requirements and responding in a competent and accurate manner. Employees play an active role in the development and implementation of sustainability initiatives to achieve customer satisfaction within the hotel, while the hotel sends mail and promotional offers directly to customers.

Service helps organizations to delight customers by responding to their needs. In the CRM environment, the information of customers who have visited the hotel more than once in any location is recorded to the shared database. The hotel can rely on this information to offer exceptional personalized services to each of these customers. According to Vice President of Information Systems, MOHG, any group hotel can access any customer's information, regardless of whether the customer has stayed at the location from where said information is accessed. With this information, the hotel can offer satisfying services and solutions to customers' problems.

Improved business performance would enable the hotel to analyze customer needs and preferences, and doing so would help improve services and business. The oriental hotel uses PAR Springer-Miller Systems to track market information in order to improve their business.

Customer benefits of CRM systems

A detailed explanation of the customer benefits under all categories is given below. The Mandarin Oriental Hotel Group can gain five customer-related benefits by using CRM systems. Improving employee skills, either before and after a guest's stays, as well as while the guest is on property, is key to the hotel's development. Hotel employees must be aware of a customer's basic information because there are a wide variety of service opportunities, for example, hotel rooms, housekeeping, bellman, reservations, front desk, food and beverage, and bar. Sustainability awareness training should be implemented to improve resource allocation and customer satisfaction.

Service quality improvement is a commitment to exceeding customer expectations by surprising them with the ability to anticipate and fulfill their wishes. For example, an appropriate response to a loyal customer throwing a party to celebrate a guest's 25th stay on the property. The Mandarin Oriental Hotel Group chooses not to use a card-based client loyalty program.

Increased personalized service or one-to-one service can exist both before and after a customer's stay, as well as while the customer is on property, when there are multiple service opportunities. All these situations can provide guest-specific information and guest service preferences.

Customising products and services in the hotel could help fulfill customer needs accurately. Superior products and services should be designed using up-to-date guest information. In fact, the Mandarin Oriental Hotel in Hong Kong attaches so much importance to personalized service that individual properties build their own extensive databases of guests' history and preferences.

6.3.2 Case Analysis Two

Grand Hyatt Erawan Hotel

Successful CRM systems implementation

Empirical data were carried out in accordance with the framework, and it began by defining CRM and the top management's commitment. According to Ramsey (2003), four main organizational strategies, namely, customer, channel, brand, and CRM application choice related, should be planned before implementing a CRM system. In this case, the customers are mostly luxury travelers from Asia. The Grand Hyatt Erawan, a five-star luxury hotel with an elephant logo at its central location in Bangkok, is a brand.

Its distribution channels include websites, tourism agencies, and package tours with airlines. The Grand Hyatt Erawan Bangkok Hotel uses Epicor's iScala Hospitality application, a standard system that collates information from all group locations.

By sharing with information with Hyatt International's locations in Germany, France, Italy, Switzerland, Belgium, Australia, New Zealand, and India, the system also provides the benefits of using a centralized back office solution, in addition to ensuring that various financial and operational processes are consistent and streamlined. In this centralized environment, various regional offices can access, customize, and compare reports related to hotels in different regions. Real-time visibility of guests enhances organizational operations, which is essential for positive result. However, location-specific information are hard to obtain sometimes.

Furthermore, productive cash management and back office integration with PMS and POS can be the resulting difference between profit and loss. With Epicor's iScala Hospitality, POS and PMS systems can now be integrated. The system has the ability to synchronize different data such as cash, sale, labor, recipes, and city ledger (Epicor, 2012).

Business benefits of CRM systems

A detailed explanation of business benefits, categorized according to the level of management for which each benefit is the most appropriate, is given below. The Grand Hyatt Erawan Hotel can accrue eight business benefits by using CRM systems.

Improved customer service manifests in the form of the hotel's response to customer requests, for example, when a VIP visitor feasts at one of the eateries, F&B administrators and the front Office Manager get an alarm and they frequently drop by to meet the visitor (Hyatt Group, 2014).

Improved customer data management allows employees to access customer data within each property location or via the centralized shared services system. Additionally, in the centralized environment, regional offices can access, customize, and compare reports of different group hotels located in different regions. To understand the target market, the hotel conducted a customer survey created by the asset's business travel.

As the hotel suggests, the ability to obtain performance analysis reports and supporting market information about all hotels and business units provides a solid base from which the hotel can describe strategic goals and business objectives tailored to the individual markets and environments that their hotels operate in.

Improved decision-making, planning, and forecasting can provide an analysis of product mix and food costing, traditional and commissary inventory management, consistent and streamlined financial and operational processes, and standard hospitality reporting capabilities to manage costs in a better way.

In addition, improved innovative use of CRM systems can guarantee security and economic development of the company through system development, core competencies, core corporate culture, information database for making decision, and human capital (Erawan Group, 2014).

From the viewpoint of improved customer satisfaction, the management or the Grand Hyatt Club manager can be alerted to place a courtesy call to the guest to confirm whether she or he is fulfilled. Providing such a high level of ser-

vice would help the organization to delight customers because it follows legacy systems, which cannot be adapted to its changing needs. In fact, Hyatt International is confronted with the choice of updating its current system or moving to an external vendor.

Epicor's iScala Hospitality application can improve business performance by providing a standardized back office solution for Hyatt's global operations center. Thus, the Hyatt International Hotel Group is considering taking advantage of this solution to connect with other aspects of its business and further boost its business procedures (Epicor, 2012).

The Hyatt hotel has a set of measures in place to ensure that management is more proactive in reacting to market and business changes. The hotel is looking at leveraging strengths based on the strategic purposes of the organization and standard industry measures.

Customer benefits of CRM systems

A detailed explanation of customer benefits under the most suitable categories is given below. The Grand Hyatt Erawan Hotel can accrue five customer benefits by using CRM systems. The program point of sale (POS) and the property management systems (PMS) can improve employee skills by giving them internal and external training. Furthermore, it could include training employees to perform their jobs with thorough care, competency, and integrity in order to fairly treat both major and minor shareholders so that all relevant parties are benefited.

CRM systems can be used to comprehensively recording customer preference data and history to help in personalization of customer service. When a customer asks for room amenity or special services, the information automatically gets stored inside the database. The customer service department accesses this information regularly to enhance customer service (Hyatt Group, 2014).

An appropriate response to customer requests would be using Hyatt Gold Passport member benefits and awards, which provide many advantages in terms of making reservations at Hyatt more rewarding and help get more discounts. The hotel provides guests the option to register a complaint; if not, the relevant service request is closed.

Further, enhanced personalized services or one-to-one services can always be offered in collaboration with employees. The hotel offers an individual customer service such as the individual transaction. Therefore, employees have to create a good first impression on the guests' experience in Hyatt hotels.

Product and service customization involves setting up a pricing policy that would be considered to be fair and appropriate to all, without treating anyone more

favorably than the others. Each deal should be considered and conducted on an arms-length basis, and this includes developing and improving the procurement process as appropriate, satisfying business conditions, and executing a fair contract with customers (without depriving a customer of her or his benefits).

Before anyone uploads the data into the CRM system, the information should be scrubbed thoroughly. In other words, employees should find and rectify any inconsistent or erroneous information. The hotel features an ample array of dining choices, including table restaurants offering classical European-style cuisines cooked table side, such as You and Me casual Thai restaurant, Dining Room, Erawan Tea Room, the Italian Spasso Restaurant, Erawan Bakery and Bar @494, a stylish bar with live music and evening entertainment (Erawan Group, 2014).

6.4 Cross-case Analysis

In this section, the hotels are compared to examine whether possible differences and/or similarities exist in the benefits of CRM systems implementation, business benefits, and customer benefits, as well as for identifying the causes of possible outcomes.

6.4.1 Successful CRM Systems Implementation

According to Ramsey (2003), four main organizational strategies, namely, customer, channel, brand, and CRM application choice-related, should be planned before CRM system implementation. Both hotels have received benefits from their CRM implementation efforts. The Mandarin Oriental Hotel operates on the strategy that businesses can be built on service, and employees make guests' experience special. Thus, the Hyatt Erawan Hotel's is concerned about developing a well-diversified hotel portfolio to generate appropriate returns.

Both hotels have similarities in customer segmentation. Their customers are mostly business travelers. They use significantly more customer information for better management, acquiring new customers, and executing a good plan. The hotels' distribution channels include websites, tourism agencies, and package tours with airlines.

Both hotels have adopted suitable CRM systems. The Mandarin Oriental Hotel uses Microsoft Dynamics CRM 4.0 as the platform for the central SMS GlobalGuest system, while the Grand Hyatt Erawan uses Epicor's iScala Hospitality Systems. Therefore, they can store customer data to fulfill customer needs.

The Mandarin Oriental Hotel uses a centralized server data-based CRM software from Hong Kong, while the Hyatt Erawan Hotel uses localized and centralized server data-based systems. Therefore, they access significant amounts of information related to their businesses and keep communicating with their customers via different delivery channels.

However, the Mandarin Oriental Hotel uses a centralized customer database to provide guest data to employees at mandarin oriental hotel group properties via web services with fast Internet connections. The Hyatt Erawan Hotel harvests information to view the performance of the properties and to generate forecasts and budgets for bench-marking against the set measurements.

6.4.2 Business Benefits of CRM Systems

A detailed explanation of business benefits, categorized according to the level of management for which each benefit is the most appropriate, is given below. Both hotels can accrue eight business benefits by using CRM systems. Improved customer service is one of the main goals of most organizations. Customer satisfaction creates opportunities and support for a business (Dyche, 2002; Guran et al., 2003; Buttle, 2004). Both hotels follow the same strategy to fulfill customer wishes and respond to customer requests.

Customer data is recorded within the organizations through different functional areas and on different media (Turnbull, 2004). CRM systems integrate the recorded customer data and provide the means to improve customer data quality. While the Mandarin Oriental hotel staff can access such data through a centralized shared services systems, the Grand Hyatt Erawan staff can access it within each property location or via a centralized shared services systems.

Using CRM systems, markets can be segmented on the basis of physical attributes or behavioral patterns. Organizations are focused on customer needs and expectations (Kotler et al., 1998). Both hotels have the same segments of customers, which include business and leisure travelers.

CRM systems can usually create improvised and predefined reports that can be applied in support roles like forecasting, planning, and management of resources. Thus, they can aid fast and improved decision-making (Dyche, 2002; Jayaganesh et al., 2004). Both hotels use standard hospitality systems' reporting capabilities to manage costs and customer markets in a better way.

CRM systems provide information about customer behavior and preferences. Hence, the research and development department of an organization can use a CRM system for product innovation (Brown, 2000; Jayaganesh et al., 2004; Jagielska et al., 2005). After implementation of the CRM systems, the Mandarin Oriental hotel experienced an increase in the number of customers: 44.6% in 2011 and 53.5% in 2012. The Hyatt Erawan Hotel can guarantee security and economic development of the company through system development, core competencies, core corporate culture, information database for making decision, and human capital (Erawan Group, 2014).

Customer satisfaction has to do with the maintenance of a good perspective through remembering guests or clients during calls, monitoring service delivery, making use of discretionary effort, building trusting relationships, and replying clearly to the needs of customers (Bateson and Hoffman, 2002).

The Oriental hotel provides information on the relative value of an individual guest by following the business activity of the customer within the hotel properties. The Hyatt Erawan Hotel provides a courtesy call alert, which is automatically sent to the contact management or the Grand Hyatt Club manager, who calls the guest to confirm whether he or she is satisfied with the services offered.

CRM systems allow employees across the organization, regardless of department, to perform customer care, customer service, and customer information management functions (Ryals and Knox, 2001). Both hotels have tracked the customers who have stayed at two or more properties of the hotel to obtain individual customer data.

A successful CRM system implementation can help an organization gain a competitive edge in the industry by promoting a favorable image among their customers, thereby strengthening their leadership position in the market (Buttle, 2004; Dyche, 2002; Handen, 2000). The Oriental hotel uses PAR Springer-Miller Systems to track market information in order to improve their business. The Hyatt Erawan Hotel indulges in effective and efficient data-sharing between its corporate office and subsidiaries around the globe. Both hotels have appropriate planning and management.

6.4.3 Customer Benefits of CRM Systems

A detailed explanation of customer benefits categorized as most appropriate is given below. Employee skill improvement can be focused on customer profiles, understanding customer needs, and technology learning, all of which influence their interactions with customers (Kim et al., 2003).

The Mandarin Oriental Hotel focuses on customer information and interactions both before and after a guest's stay, as well as while the guest is on property. A training program for employees is conducted regularly. However, the Hyatt Erawan has used the Point of Sale program (POS) and Property Management Systems (PMS) in the training to bring out their employees' best potential.

The customer base is required to achieve monetary or non-monetary organizational goals. It relates to the benefits of a business relationship from the supplier's perspective (Wilde and Hippner, 2004). The Mandarin Oriental Hotel regularly communicates with customers through personalized messages, such as when a guest walks into the hotel and the receptionist finds that he (or she)

is a first-timer or a regular. Then, they know how to treat new customers or the regular ones. The Hyatt Erawan Hotel treats a VIP guest by making its employees available in the lobby to meet and greet the guest. Both hotels have different styles to increase customer value.

To manage various communication channels effectively, managers endeavor to monitor various business processes such as the number of business variables among others (Kim et al., 2003). The Mandarin Oriental Hotel does not use member club cards, but they host a celebration party for a guest who visits the hotel for the 25th time.

Also, when such guests visit the restaurant, the staff can say their name and bring them their favorite items as part of a prestige treatment. The Hyatt Erawan Hotel, however, uses gold member cards to reward the member by upgrading their level and offering additional discounts.

The one-to-one service strategy enables employees to fulfill customer needs and helps achieve customer satisfaction via personalized service. Personalized service should necessarily be better than routine service (Dwayne, 2006). Both hotels use offerings that tap the individual's potential to serve customers in a better way, such as tracking customer activities in hotel and knowing what each customer needs.

Value propositions must be targeted at the appropriate market segments in business processes, such as payment methods, delivery channels, and product diversity. Doing so allows business processes to recognize organizational goals and attract new customers (Wessling, 2002).

The Mandarin Oriental Hotel has traditionally used the most direct method for gathering data and measuring a guest's relative value to an organization. However, Hyatt Erawan Hotel stores data in a database, which is frequently accessed by the guest services department. Treating all customers and businesses equally and fairly would enhance competitive advantages.

7 Chapter 7: Findings and Conclusions

This chapter presents the findings and conclusions of this work by answering the research questions based on the analysis of the information in the previous chapters. Finally, an outline for future research is proposed.

7.1 Synopsis

This thesis aimed to present a framework for understanding the benefits of implementing CRM systems in the hospitality industry. The Mandarin Oriental Hotel and the Grand Hyatt Erawan Hotel have been considered as suitable case study objects; furthermore, both hotels have successfully implemented CRM systems. The research questions explore whether the hotels would consider the benefits of CRM systems and understand the value of implementing CRM for acquiring more customers to facilitate additional revenue generation for the organization.

The two hotels were analyzed with reference to the CRM benefits framework in line with the general purpose of this thesis. Moreover, the most suitable CRM application should be used in organizations to increase value to the business and to win and attract an increasing number of customers.

Besides, it is rather interesting to note that the empirical data in this study can provide the researcher with a more holistic and general view of CRM system benefits. By interviewing two CRM experts, I was able to determine the benefits accrued by both organizations and their customers. Furthermore, this study discusses the findings and conclusions pertaining to each research question with respect to the potential of the empirical data, as mentioned below.

How can a framework of CRM systems be described?

The benefits of the framework depend on the organization and the customer. Each organization chooses their respective customer relationship management (CRM) system based on the strategies and theories required by that organization. For the successful implementation of a CRM system, each hotel should use a CRM system that matches the nature of their business and allows them to observe the needs and behaviors of their customers, as well as the value of their brand value, prior to implementation of the system.

The hotel framework mentioned above uses the CRM data to identify potential problems. It also uses this data to evaluate the value that certain actions may have for the business. This framework is intended specifically for use with CRM systems. It is designed to identify and describe the benefits of a CRM system.

The framework can be divided into three important sections: the successful implementation of a CRM system, the business benefits gained by a CRM system,

and the customer benefits gained by a CRM system. The successful implementation of a CRM system depends on Ramsey's (2003) theory, which involve four main elements: customer, channel, brand, and CRM applications.

CRM benefits are created by CRM infrastructure, CRM analytics, and organizational CRM culture, as well as the interplay between these aspects. This interplay is another area that must be investigated in order to gain an understanding of how CRM benefits are generated.

There are eight main business benefits of CRM departments. These benefits exist across all department areas, and they are: improved customer service, improved customer data management, facilitation of market segmentation, improved decision-making, increased planning and forecasting, improved innovative use of CRM systems, improved customer satisfaction, and providing of a service for helping organizations delight customers and improve their business's performance.

The revised framework provides additional CRM benefits that extend beyond the initial scope of the organization. This framework also benefits the organization's customers or clients and its external business partners. There are five main customer benefits provided by each CRM system: improved employee skills, improved service quality, an increase in appropriate responses to customer requests, an increase in personalized or one-to-one services, and the customization of products and services.

The benefits of CRM implementation for a business's external partners include improved value added through new partnerships and improved channel management. The framework used for the case study in this thesis has been designed in accordance with the major CRM theories.

How can the benefits of CRM systems for hotels be described?

Each hotel uses the appropriate CRM system to suit its needs. The hotels are able to maintain good relationships with their customers by providing quality services to meet their customers' needs. The service provided by the business thus benefits from the implementation of the CRM system. This is why most organizations create their strategies by keeping an eye on their customers and brand value before implementing a CRM system.

CRM systems are also used to expand the business's volume and to increase the sales margin and revenues of the organization. CRM systems also enable collaboration and operational efficiency, as they make the controlling processes simpler and easier. Most successful organizations have implemented CRM systems. Choosing the right CRM system to implement can seriously benefit an organization. The empirical findings taken from the interviews with the hotel

employees indicated that there are some common benefits of CRM implementation; these benefits were found to be exactly the same as those theories described by common CRM theories.

These benefits were improved customer service, improved customer data management, market segmentation, improved innovative use of CRM systems, improved customer satisfaction, increases in services that help organizations delight customers, and improved business performance.

Improved customer service is one of the main goals of most organizations. Both hotels observed in this case study used the same strategy to fulfill their customers' wishes and respond to their customers' requests.

Besides, customer data is recorded within organizations using different functional areas and media (Turnbull, 2004). To effectively manage personal customer relationships, organizations must build a customer driven view (Ryals et al., 2001). The Oriental hotel can access such data through a centralized services system. Thus, all branches of the Hyatt Erawan Hotel can access the data from any location or from a centralized shared services system.

Both hotels have the same segment of customers, which includes businessmen and leisure travelers. Customer surveys can be used to categorize the customer segment. For example, the Investor Relations (IR) Survey conducted by the Hyatt Hotel showed that more than 50% of the respondents had visited the hotel during the last three years, and 85.11% of the respondents said they were satisfied with the hotel.

CRM systems can also be used to provide information about customer behaviors and preferences. For example, the Oriental Hotel can track each guest interactions before and after his or her stay, as well as while that guest is on the hotel's property. CRM systems can provide a foundation for future systems and applications, which can interact with the Mandarin Group's and other hotel systems.

The Hyatt Erawan Hotel is also able to ensure stability and the sustainable growth of the organization through the development of new systems, the creation of an information database for decision-making, and the facilitation of core corporate culture. Core corporate culture may be facilitated through robust financial management functionality within multi-language environments. This system has been adapted for use in the international hotel chain using more than 30 currencies.

Improved customer satisfaction involves the consideration of customer needs, wishes, and expectations. Both hotels examined in this case study were found to treat customers more favorably by helping their business activity within properties.

Further, both hotels examined in this case study shared valuable guest information between their different chain locations 24 hours a day. The Mandarin Oriental Hotel used the central database, while the Grand Hyatt Erawan Hotel used both individual and central databases to delight its customers.

Finally, improving business performance benefits each hotel by facilitating a supportive culture and leadership style within the organization. Employees are driven by the use of a CRM toward improved customer service, teamwork, and collective goal-setting behavior. Both hotels from this case study are working on new features and capabilities to enhance their CRM systems. They are doing so by improving their procurement processes and by meeting the necessary business requirements.

How can the benefits of CRM systems for customers be described?

This thesis has shown that the two hotels were concerned with customer interaction and satisfaction through the usage of CRM systems, as customers play an important role within their businesses. The hotels cannot gain customer perspectives if they are not concerned with customer needs.

Moreover, both hotels use CRM systems to better understand their customers' needs. With that knowledge, they respond to customer requirements, and record guest history and preference data to help personalize guest services in the hotel information database. This also ensures the employee's understanding of their professional roles and responsibilities, as well as their career goals.

Most customers are concerned with the quality of services; responding to customer complaints is an important benefit. During the interview, the empirical findings disclosed some benefits that were related to the theory of CRM. These benefits were employee skill improvement, improved service quality, appropriate response to customer requests, improved customer satisfaction, enhanced personalized service, as well as customization of products and services.

Both hotels have determined a good remuneration structure in accordance with market prices, employee's responsibilities and potential, and their performance at work through the stages of strategic evaluations, namely, division strategy, department strategy, and corporate strategy. They also care about their customers' welfare in all aspects. This could be investigated by asking customers about their satisfaction towards the offered five-star hotel services.

Hence, CRM systems help organizations to determine the needs of their customers and be responsible about them. For example, the Oriental hotel does not use member card club, but when a guest visits for the 25th time, the hotel hosts a celebration party for them, and when such guests visit a restaurant, the staff

can say their name and bring one of their favorite meals to them as prestige treatment. In contrast, the Hyatt Erawan hotel uses gold member cards to reward members based on their level and offer much better discounts.

Increased personalized service defines a strategy to enable customer needs and generate customer satisfaction by providing personalized services (Dwayne, 2006). Both hotels offer individualized services to each customer, and each employee is trained to track each customer's activities in the hotel in order to know his or her needs. Besides, they can provide their own financial system security based on privacy data in each hotel. As a result, trust between customers and the hotels is established.

7.2 Participating Hotels

This thesis has presented a framework for the benefits of using CRM systems for both organizations and customers. This framework will be of importance to both of the participating hotels, as well as to the researcher. The two hotels observed in the case study have now successfully implemented their own CRM systems thanks to this study, which has facilitated benefits not only for the hotels themselves, but also for their customers.

The results of this research indicate that hotels need to consider and understand the significance of using CRM systems. They can do so by focusing on how to manage CRM systems to gain better customer relationships and improved business performance. Understanding each CRM system's tools and technology is not easy. As such, the business roles played by the CRM system must be clear at each and every level of the organization. Each business may also need to focus on a different function of the CRM system. Before implementing the CRM, employees must have a good understanding about both the system and customers in order to maximize customer satisfaction.

Hotels should also work to improve and develop the CRM systems on the basis of strategic goals and standard industry measures. Thus, simply using CRM systems is not enough; in fact, the roles of the manager and the chief executive officer (CEO) are also quite significant to the business's success. Afterwards the goals and strategies for achieving those goals has been established, hotels can achieve their customer goals and facilitate customer satisfaction by training their staff to make greater use of guest information.

Both the hotels examined in this study realized that some areas of business, such as customer value, customer satisfaction, customer retention and loyalty, and customer achievement and trust, can be improved using a CRM system, as such a system allows for the management and use of customer data for customer service needs. Additionally, some aspects of CRM usage are very significant in terms of the business's staff. Staff members must develop predictive models, respond with timely communications that have been customized to achieve certain

benefits, and deliver goods and services of value to each individual customer. The satisfaction of customers also plays a significant role in the business, as satisfying customers can result in increased profit for the hotel.

Both hotels were able to achieve significant benefits using their respective CRM systems. These benefits were improved customer service, improved customer data management, the facilitation of market segmentation, improved decision making, increased planning and forecasting, and increased services for helping organizations delight customers, as well as improved business performance, improved employee skills, improved service quality, an increase in appropriate response to customer requests, increased personalized service or one-to-one services, and the customization of products and services. These systems can help management become more pro-active in reacting to market and business changes.

7.3 Further Research

This section provides suggestions for further research. The information gained from this thesis can help researchers learn more about CRM projects, including learning more about people, processes, and technology. Select case studies of CRM system implementation can also be used to further confirm and extend the previously mentioned framework. Moreover, the results of this thesis can be related to evaluations of CRM implementations using such techniques such as balanced score card analysis.

Thus, there are other benefits of using CRM systems, including both tangible and intangible benefits. Determining the indicators for each benefit would be of practical use. The results of this thesis can also be used to determine the other factors and benefits of CRM usage that are more significant to customers. Additionally, the case studies comparing five-star hotels in Bangkok can be used to expand CRM system implementation in other industries in order to compare the results between different types of case studies.

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A APPENDIX

Interview guide for hotels

Name of hotel:

Address:

Part 1) Questions on successful Framework of CRM system implementation:

1. When did the hotel start to implement CRM system?
2. Which CRM system software are you using?
3. Could you describe the process from start until today?
4. What are the main features of CRM software?
5. What other aspects of the hotel were affected?
6. Who was or were involved and who have been affected?
7. Do you keep each database separately or you have only one database?
8. Why did hotels decide to implement CRM system? (reasons for implementation)
9. Could you give an example of major obstacles that you faced during the implementation of CRM system?
10. What problems you faced while implementing CRM system?
11. What would you improve with in CRM system implementation in hotels?

Part 2) Questions on CRM system business benefits:

1. How CRM systems help your hotel to bring business profitability?
2. How has CRM system improved hotels relationship with customers?
3. What is the increase in sales and revenue after implementing CRM system?

4. According to your view which of the below mentioned target is more important than other to get business benefit?
 - organizational transformation
 - CRM application
 - organizational infrastructure
 Kindly state reason why it is important
5. Could you suggest an idea of how much your hotel has invested in the implementation of CRM system (time and monetary cost)?
6. According to your view did CRM system brings collaboration and operational efficiency across your hotel?

Part 3) Questions on CRM system Customer benefits:

1. Does implementing CRM system cause competitive advantage to attract more customers?
2. How long does it take to solve the customer's problems and how you use the CRM systems to solve their problems?
3. How CRM systems help hotels to know the customers problems?
4. What are the problems that customers face with? Or in which part?
5. What is the hotel strategy to adapt customers with your new services?
6. Does CRM system implementation effects on the decreasing or increasing customers?
7. How much?
8. How you evaluate customers support needs during the new service development process?
9. Does implementing CRM have an effect on increasing the customer's value? How you evaluate it?
10. What was the most important effect on the customers after you implement CRM systems?
11. How CRM systems help hotels to know the customers problems?
12. Which problems did you have with customers when you implemented CRMs at first? Are they existed yet?