CHAPTER II

REVIEW OF LITERATURE

2.1 CUSTOMER RELATIONSHIP MANAGEMENT

The main aim of relationship management is to establish, maintain and enhance relationships with customers and other parties at a profit such that the objectives of the parties involved are met. The following are the review related to customer relationship marketing.

Jay Kandampully & Dwi Suhartanto (2003) have indicated that hotel image and customer satisfaction with the performance of housekeeping, reception, food, beverage and price are positively correlated to customer loyalty. The performance of housekeeping, however, was found to be one of the most important considerations for customers of hotel chains.

Constantinos Stefanou J., Chrisotos Sarmaniotis, Amalia Stafyla, (2003) have investigated the extent of the usage of customer – and market-related knowledge management instruments and customer relationship management systems by Greek organization and their relationship with demographic and organizational variables, also investigated whether enterprises systematically carry out customer satisfaction and complaining behavior research and to examined the impact of the type of the information system used and manager’s attitudes towards customer KM practices. It is found out that the survey showed that about half of the organizations of the sample do not adopt any CRM Philosophy. The remaining organization employ instrument to conduct customer satisfaction and other customer related research. However according to the proposed model, they are positioned in the first, the preliminary CRM development stage. It is also suggested that managers hold positive attitudes towards CRM and that there is no significant relationship between the type of the
transactional information system used and extend to which customer satisfaction research is performed by the organizations.

Leo sin Y.M., Alan. Tse C.B., Frederick Yim H.M., (2005) have developed a reliable and valid measuring scale for customer relationship management (CRM). The data were collected from 641 business executives. The results indicated that a reliable and valid scale was developed to measure the four dimensions of CRM: key customer focus, CRM organization, knowledge management and technology-based CRM.

MarkXu, Jhon Walton, (2005) have examined how customer relationship management (CRM) system is implemented in practice with a focus on the strategic application. Methodology- the current if CRM application is based on examining data reported from a four-year survey of CRM application in the UK and evolution of CRM analytical function provided by 20 leading software vendors. It is found out that current CRM system is operational applications such as call center. The application of analytical CRM has been low, and the provision of these systems is limited to a few leading software vendors.

Shai Danziger, Aviad Israeli, Michal Bekerman (2006) suggested that redundancy in the value of the two attributes for market price predictions. Importantly, the performance of middle level hotel managers’ and hotel management university students was indistinguishable on most measures save for initial confidence in their price estimates.

Rasoul Asgarpour, Abu Bakar Abdul Hamid, Bahaedin Mousavi, Majid Jamshidi (2006) has found that spite of having almost complete perspective and understanding of customer loyalty, there is still a gap in the main precedents of customer loyalty theoretically and empirically. In this regard, more
investigation required to specify the most important precedents which have significant impact on customer loyalty.

Mosad Zineldin (2006) has indicated that Changing in quality over time within various segments or related to specific products or categories of products/services can be used as an Indicator the level of loyalty. By linking infrastructure, interaction and atmosphere indicators to the quality of object and processes, researchers and managers can document which changes in CRM strategy improve the overall satisfaction and loyalty, hence the ultimate outcome.

Evangelia Blery (2006) has investigated the design and implementation of CRM in the Bank, identify the benefits, the problems, as well as the success and failure factors of the implementation and develop a better understanding of CRM impact on banking competitiveness as well as provide a greater understanding of what constitutes good CRM practices. Random Sampling methods were used. The results revealed that customer relationship management is a strategy that can help them to build long-lasting relationships with their customer and increase their profit through the right management system.

Milorad Novicevic, Hugh Sloan, Allison Duke, Erin Holmes, Jacob Breland, (2006) have examined to delve into Bernard’s work to construct foundation of customer relationship management. The results revealed that the practices that are likely to lead to more effective participatory behavior of customer.

Jaakko sinisalo, jari salo, heikki karjaluoto, matti leppaniemi (2007) have studied in two fold. First, in order to guarantee a coherent discussion about mobile customer relationship management ‘this paper presents a conceptualization of MCRM delineating its unique characteristics. Second, the authors develop the empirically grounded framework of the underlying issues in
the initiation of MCRM. The case-study method was adopted for in order to gain a holistic view of the case and access to latent and confidential information of the company under scrutiny. The result indicated that the proposed framework identifies issues that can be divided into three categories’ exogenous, endogenous and MCRM-specific, the company has taken into account when moving towards MCRM.

**Thus Uyen Nguyen H., Joseph Sherif S., Micheal, Newby (2007)** have examined to put forward strategies for successful implementation of CRM and discuss barriers to CRM in e-business. Methodology was adopted this paper combines narrative with argument and analysis. The results indicated that CRM stores all information about its customer in a database and uses this data to coordinate sales, marketing and customer service departments so as to work together smoothly to best serve their customers’ needs.

**Gurram Gopal, Steve Cline (2007)** have focused on short term profitability by transportation service provider in a notoriously cyclical business, often at the expense of developing customer loyalty. It argues transportation service provider to use the customer relationship management tools and customer emotion to generate long-term profitability. Survey method was conduct with 50 transportation industry specialist, representing service providers and buyers. The results revealed that the customer relationship management technique, especially those based on customer emotion, can be used by the transportation service providers to generate customer loyalty, allowing them to grow with their customer and smooth out the peak and valleys of the business.

**Frederic Jallat, Fabio Ancarani, (2008)** have investigated to demonstrate that these techniques can be profitably applied to telecommunication and similar sectors and to examined the particular condition of their implementation, development and efficiency. The result indicated to such an
approach is more difficult to implement in the telecommunication industry than in the airlines sector because of the difficulty to control and sometimes refuse network access to customer.

Wann Yih Wu, Hsi-An Shih, and Hui-Chun Chan (2008) have investigated the interaction of membership relationship management activities and marketing tactics in the hypermarket through perceived relationship investment linking; understood members psychological factors that promote customer value allowing industries and customer to establish a good membership relationship and finally, the influences of relationship quality and member behavior. Surveys were conducted from 200 northern, middle and southern parts of Taiwan. The results indicated that hypermarket handle the mutual implementation of both membership management and relationship marketing tactics well, they cause a positive perceived relationship investment among customers and both come away with a mutually-intensifying effect. Effect of relationship management activities is slightly higher than of relationship marketing tactics.

Suzanne Hanley, Rose Leahy (2008) have examined the effective of relationship marketing strategies used by departmental stores and also to discover the extent to which customers used and are influenced by relation marketing strategies. The methodology used for non-probability sampling methods. This research concludes that the challenge for departmental store is to identify the drivers of satisfaction in doing so build positive relationship with their customers.

Hugh Wilkins, Bill Merrilees, Carmel Herington (2009) have indicated that service quality, mediated by customer satisfaction is the largest determinant, but that brand trust, mediated by brand attitude, is a significant moderator of behavioral loyalty.
Irene Samamda (2009) has investigated the effects of e-CRM system on customer loyalty and satisfaction as well as the impact of relationship marketing practices to customer retention and acquisition. They have understood the importance of using electronic channels instead of traditional ones to implement their marketing strategies. Thus, e-crm system has assisted hotel business to manage more effectively their reservations and serve their customers as fast and as effective as possible.

Yasir Shafiq, Muhammad Saadat Din, Khaliq Ur Rehman Cheema (2009) indicated that there is a need of improvement in the dimension of tangible means that managers must focus on the tangible aspects like equipment and decoration, neatness and cleanliness of employees and material associated with service that as well as this research indicated that the empathy is also important and managers should organize trainings for employees so that they improve the dimension empathy by improving their communication skills and by improving their friendly style of talking and being a courteous fellow.

Cedric Hsi-Jui Wu Rong-Da Liang (2009) indicated that restaurant environmental factors and interactions with service employees and other consumers positively influence the consumer experiential value. Additionally, only interactive relationships with service employees directly and positively affect consumer satisfaction. Restaurant environment factors and interactions with other consumers indirectly and positively influence consumer satisfaction through experiential value. Finally, with respect to marketing and development initiatives, the results of this study can help improve the physical attractiveness of the examined luxury-hotel restaurants.
Ameen Ahmed Al Momani (2010) has revealed that there are strong statistical evidences exist between employees in the role of leadership in achieving excellence according to their education, hotel location, hotel age and years of experience in the hotel. The study provided a number of recommendations to help dealing with the role of leadership.

Ruth N. Bolton and Crina O. Tarasi (2010) have investigated that each process, summarize key findings, identify emerging trends and issues, and predict likely future developments (both theoretical and methodological). Our concluding remarks make recommendations about areas where further research is needed.

Roisin Mc Cullagh (2010) has investigated that CRM strategies are measured considering their usage, the cost and the output from these strategies and Also data Retrieved from customers should be analyzed and used to determine why customers defect and strive to eliminate this cause. Hotels should strategically choose which Customers are the most valuable and which customers they want to target with their CRM strategies. Hotels should then use the most appropriate methods to develop the profitability of the target customers. Hotels should review their marketing plans regularly and revise them according to their success or the limitations at that time.

Slabbert J.G (2010) has concluded that discovers whether or not there is an identifiable profile for customers who defected which may be used for the early discovery of customers at risk.

Li Yueh, Andy Chen, Ying Lee, F. Barry Barnes, (2010) indicated that generally support a positive relationship between transformational leadership styles and the implementation of knowledge-based CRM while rejecting transactional styles.
Ivanka Avelini Holjevac, Suzana Marković Sanja Raspor (2010) concluded that the efficiency of customer satisfaction measurement with GCCs depends on the measurement methodology. It is clear that guests should be additionally motivated and that GCCs should be designed with a greater impact of a scientific approach. Only reliable and valid data can provide valuable information for management.

Aamna Shakeel Abhasi, Wasiha Khalid, Madeeha Azam, Adnan Riaz (2010) have examined that improved and superior service quality and service features will augment the customers satisfaction and the future intention of satisfied customer will be magnified.

Eugenia Papaioannou, Christos Sarmaniotis, Costas Assimakopoulos (2010) have examined the development of a better understanding of reporting service experience in the hotel sector and address the need for effective analysis and communication of online customer feedback. In addition, this paper stresses the value of CRM applications for hotels and how these applications can assist hotel managers in collecting and analyzing feedback reports from their quests. Finally, this paper attempts to propose a conceptual framework with some key modules that a hotel CRM should employ and presents alternatives on how the hotel’s reputation system can have access to outsourcing information.

Douglas Lambert M (2010) have examined a macro level cross functional view of CRM and provide a structure for managing business-to-business relationship to co-create value and increase shareholders value. The data was collected from executives at 15 companies representing nine industries and multiple positions in supply chain including retailers, distributors, manufacturers and suppliers. The result indicated that a framework that managers can use to implement to cross-function, cross-firm, and CRM process in business-to-business relationship.
Ru-jen lin, Rong-huei Chen, Kevin Kuan-Shun Chiu, (2010) have investigated the effects of various dimensions of customer relationship management (CRM) on innovation capabilities. Five dimensions of CRM information sharing, customer involvement, long-term partnership, joint problem-solving, and technology-based CRM and five aspects of innovation capability (product, process, administrative, marketing, and service innovations) are identified. Data were collected from 107 Taiwanese computer manufacturing industries. The results indicated that not all CRM activities contribute to innovation programs, which clearly indicated the need for applying other mechanisms, such as supplier integration, to form a complete innovation program. Managers should align the development of their supplier management and CRM practices with the desired innovation Capability.

Ada Lo S., Lawrence Stalcup D., Amy Lee, (2010) have investigated how hostels are implementation customers relationship management (CRM) practices at the property level. Data collected with 45 hotels managers from 17 hotels. The result indicated that all participating hostels have practices in place to manage customer relationships. The most commonly cited goal for CRM is guest retention. Evaluation and control are perceived as very important activities not only to create value for the customers, but also to track the performance of the guest contact departments and the customers ‘evaluations of the hostel/restaurant experiences.

Muhammad Ehsan Malik Basharat Naeem (2011) have ascertained the impact of perceptions on Parasuraman proposed SERVQUAL dimensions on brand image of four and five stars hotels operating in Pakistan. It is concluded that only empathy, responsiveness and reliability perceptions were drivers to building hotel brand image. Interestingly, perceived assurance and tangibles did not contribute anything significant in nurturing brand image. So, Hotels should
build up brand image conception and strengthen brand consciousness; pay attention to reliable factors and establish customer credit; regard reliability factors and enhance employee accomplishment; tangibilize the intangible and create core advantage; Improve responsiveness factors and increase working efficiency; resort to empathy factors and add additional value and extend brand awareness. The current research endeavor also has several limitations. The study was conducted only on four and five stars hotels of Pakistan so the researchers should take other categories of hotel operating in Pakistan to conduct comparative analysis across diverse star classifications. To have more confidence in cause-effect relationship between perceived service quality and brand image, longitudinal research design should be considered in future investigations. Triangulation regarding data information sources, data collection methods and analytical techniques is advised to future researchers.

**Basar Oztaysi, Selime Sezgin, Ahmet Fahri Ozok (2011)** have defined the CRM processes within a company and proposes a tool for CRM measurement. The data were collected from 167 respondents were worked in various industries in Turkey. It is found that the general understanding of CRM processes in Customer-oriented perspective and purpose a measurement tool that addresses seven main processes which are: targeting management, customer information management, production/service customization, expansion management, referral management, termination management and win back.

**Purnima Sangel S., Preety Awasthi, (2011)** have developed an understanding of the primary concern when they use mobile banking service and identify factors that can be used for making better mobile customer relationship management(mobile CRM) Service In Banking. The Methodology was adopted to empirically explore the underlying factors by the application of exploratory factor analysis. The study sample consists of 272 respondents, with a usable
response rate of 68 per cent. The results indicated that perceived utility value is regarded as almost important factor for mobile CRM service. The other factors which emerged were ease of use, context, and compatibility, cost, risk, and personal innovativeness. In addition, negative attitude towards technology also emerged as a factor, which needs further investigation.

Vani Haridasan, Shanthi Venketesh (2011) have assessed the effectiveness of mobile service providers, specifically a set of the providers offering service in Chennai, Tamil nadu, India. Data were collected from 523 customers of residential mobile customers. The output of evaluated a technology which is being adopted by them. The study concentrated only on 7 service providers in Chennai, it can further be of improvement of each player in different areas can be further improved.

Shanthi .V, Manigandan .E (2012) has concluded that Data mining-techniques for automate detecting of relevant patterns in databases- helps companies build personal and profitable customer relationships by identifying and anticipating the needs of customers throughout the customer lifecycle.

Mirela Danubianu, Valentin Cristian Hapenciuc, (2012) have concluded that Data-mining technology can be a useful tool for hotel corporations that want to understand and predict guest behavior. Based on information derived from data mining, hotels can make well informed marketing decisions—including who should be con-tacted, to whom to offer incentives (or not), and what type of relationship to establish.

Hussain, F Ghozali Bin Hassan, M Rahman, (2012) have investigated that useful guide to three star hotels, giving them some valuable information on what the customer expectations are in terms of CRM and IT facilities and if they are duly met then services and operational issues shall not occur. The
significance of this case study includes providing a scope for three star rating hotels to improve their IT based activities to influence service quality and reduce the weaknesses, through availing opportunities and to strengthen their position in the industry.

**Arul.C, Baranidharan .K (2012)** has suggested that room division for improvement for analytic CRM shall attract more academic and practice research for better CRM applications in hotel industry.

**Karthikeyan R., Indumathi, (2012)** have analyzed the practices of customer relation management, which is one of the challenging areas now-a day in every business with special reference to textile industry of Coimbatore district. Data collected from 300 executive cadre employees of 30 textiles mills. It is suggested that the company could try to know all its customer including their lifestyle, hobbies likes and dislikes etc. The company could make it a point to deliver more then what is promised. Information technology developments could be positively used to serve the customers. All the companies are using traditional tools of CRM like quantitative research, personal interview. The company could use modern tools like data mining; contact center, e- CRM and web based survey tools. The company could give attention to improve the co-ordination among all the departments to enhance CRM.

**Ali Nasr Esfahani, Maryam Jafarzadeh, Raziye Nafari (2012)** have examined factors which are related to customer relationship management based on these factors including: financial value, social value, emotional value and customers perceived sacrifices. Data were collected through well structured questionnaire including 30 items has been used. T-test and pearson correlation were used for analysis. The findings are relationship between functional values, social value, emotional value and customer relationship management function
has been accepted but relationship between customers’ perceived sacrifices has not been accepted.

_Zeynep Ata U., Aysegul Toker, (2012)_ have investigated the effects of customer relationship management CRM practices on customer satisfaction and firm performance in business to business (B2B). Survey method was used to data from 133 turkish B2B companies. The result indicated that CRM adoption has a significant positive effect on both customer satisfaction and organizational performance in B2B settings. CRM adoption is also found to affect organizational marketing performance significantly, but not financial performance. Additionally the results revealed that enhanced customer satisfaction leads to better organizational performance in the B2B organization. Environmental dynamism and competition was found to have a negative moderating effect the relation between customer satisfaction and organizational performance.

_Yonggui Wang, Hui Feng, (2012)_ have developed a measurement model of customer relationship management (CRM) capabilities, and to explored the key antecedents and performance consequences of CRM capabilities. Questionnaire survey was used to collected data. A three-factor (customer interaction management capability, customer relationship upgrading capabilities and customer win-back capability) measurement model of CRM capabilities is developed and tested. Furthermore, results support the hypothesized influences of customer orientation, customer-centric organizational system and CRM technology on CRM capability, as well as the influence of CRM capabilities on organizational performance.
Padmavathy C., Balaji M.S., Sivakumar V.J., (2012) have assessed to develop a multi item scale for measuring the customer relationship management effectiveness in Indian retail bank and also to examined its relationship with key customer response variable. The data were collected from 197 Indian retail banking customers and 261 from actual bank customers. The results revealed that five dimensions for CRME, viz., organizational commitment, customer experience, process driven approach, reliability and technology orientation. Organizational commitment, process driven approach and reliability were positively affecting customer satisfaction. Reliability was found to have direct association with customer loyalty and both customer satisfaction and loyalty influenced cross buying.

Russell lacey (2012) has examined how customer voice contributes to service provider relationship as a relationship driver by assessing its linkages to distinct relationship outcomes. The data were collected from two independent samples 2586 from a luxuriant specially and 634 from a casual dining restaurant it is found that customer voice is show to positively and directly relate to customer willingness to increase the volume and share their purchases impart positively word of mouth, and participate in a variety of marketing research initiatives.

Reza Jamalli, Asghar Moshbaki, Hajar Aramoon, Akbar Alimohammadi, (2013) have examined to develop a valid and reliable method for evaluating and measuring management relationship level with customers e-libraries. The data were collected among 381 e-library services users in yazd university, using a questionnaire comprised of 78. The result indicated that only 37of 78 items suitable enough to be used for CRM measurement in e-library results of factor analyzing show that there are three main factors in e-libraries
CRM two of them may need revision for improvement in meeting student’s demands.

**Rita N. Schulz, Josephat N. Omweri (2012)** have investigated the roles played by retaining customers, and also explored the technology utilization used to retaining customers in the hotels and how image management enhances customer retention and to establish challenges faced by hoteliers in customer retention in hotels. Data were collected from 182 employees’ working in the hotels used, the result revealed that top management and staff are involving in creating a positive image, use of technology provided quality service and quality services by the personal improvement the image of the establishment.

**Gagandeep Banga, Babita Kumar, Harshal Goyal (2013)** have found that most of the managers had a positive attitude towards CRM practices and the most common were studying the existing database of the customers and personal counseling. The benefits of CRM are increased customer satisfaction and increased customer loyalty.

**Brijesh Kumar Yadav (2013)** have examined patronage of guest loyalty is a very challenging Endeavour in hotel industry as customers vacillate brands even they are fully satisfied. Furthermore, in this paper a man oeuvre is also elicited to recognize the divergent implementation issues which are fastidious to successful implementation of CRM. As the last Endeavour, a CRM implementation model has been conceived, which will augment the value in the implementation of CRM especially in the hotel industry.

**Ruchi (2013)** The study pointed out that the hotel industry is loaded with the problem of non availability of staff, lack of qualified employees, lack of management assurance and skilled personnel to manage the hotels effectively.
Rameeza Ejaz, Mirza Ashfaq Ahmed, Zahoor Ahmad B (2013) have indicated that CRM has only indirect impact on customer loyalty and word of mouth. No relationship was found between CRM and customer loyalty and between CRM and word of mouth. CRM have a positive impact on customer satisfaction and customer experience, which have impact on customer loyalty. Customer loyalty has a direct impact on word of mouth. It was found that customer experience also have a direct impact on customer satisfaction. Although, CRM don’t have direct impact on Word of Mouth (WOM), it is a very influential contributor in convincing the satisfied and loyal customers to guarantee WOM.

Ansari P. Thamimul, Sabri Nadeem & Saini Sunil Kumar (2013) have suggested which may be helpful for the hotels in Salem to attract more potential customers and to sustain the existing customers. As of the hotels in Salem are concerned, it is not a primary tourist spot and it cannot depend on a floating customers, but instead of that, it should purely depend upon the regular customers, whom may be the business men or the employees associated with any organization or institutions within the local limit. So, the hotel must consider in retaining the customers by providing enormous facilities and enhancing the value addition as recommended in the research. When these suggestions are taken into account that will convert the hotels in Salem as profit centers. So, the hotels in Salem should try their possibilities and pay keen attention in the various facilities like, customer care, catering services, and other amenities.

Uzel Jean Mzera Mutindi G.S. Namusonge J. Obwogi, (2013) have found out that strategic management drivers had a positive influence on hotel performance. The overall results indicated that there was a highly significant linear relationship between CRM strategy and hotel performance and a moderately significant linear relationship between strategic planning (SP),
strategic competitive positioning (SCP) and hotel performance and a moderately low significant relationship between Information communication technology (ICT), Organizational learning (OL) and hotel performance.

Potukuchi Thryambakam, Anand Bethapudi (2013) have found Organizations engaged in travel, tourism, lodging, transportation, entertainment, food & beverage, tour packaging etc., are covered under hospitality industry. In hospitality industry, huge buildings and food equipment do not matter but the quality and standard of delivery of the services do recognized as an important factor. In the context of the above, an attempt is made to find the factors contributing to customer satisfaction with reference to various services offered to the customers by the star hotels in Hyderabad/Secunderabad. It is observed that Housekeeping services are playing an important role followed by front office services, conference hall facilities, interior/exterior facilities, room services, maintenance services, room arrangements and finally other facilities. Regarding the customer loyalty, the present study clearly shown that the customers whose overall satisfaction is extreme, they are most likely to choose the hotel in future. Acquiring new customers costs much; therefore the hotels have to see that overall customers must satisfy so that they will have repeated customers.

Kalaskar Prasanna (2013) has identified the various marketing strategies used by the hotel and determined if the present marketing strategy of the hotel can be improved upon and formulated different marketing strategies for this standalone hotel by providing different plans that help in enhancing the hotels visibility. The results indicated that Outlining of the strategic marketing plan and action plans for the hotel was possible.
Everlyne J. Kangogo, Dr. Musiega, Dr. J. Manyasi (2013) have showed that the hotels strive to meet the expectations of the hotel customers through provision of excellent services in pursuit of customer satisfaction, and the customers appreciate this by becoming not only regular, but also loyal clients’, hence good performance of the hotel. The hotel industry in western tourism circuit of Kenya has low performance as compared to what other tourism regions has, yet the tourism circuit has unique and great potential to offer. It is found that suggested some appropriate hotel strategies that may enhance customer satisfaction.

Bang Nguyen, Lyndon Simkin, (2013) have examined the insights into how advantaged (favored) and disadvantaged (non-favored) customers perceive fairness in retailers marketing tactics. The results have provided marketers with prospective on maintaining and enhancing relationships. Service and marketing communications concern the advantaged customers most, while pricing is the most important aspect for the disadvantaged customers.

Dheeraj Verma, Devendrasingh Verma (2013) have examined on managing customer relationship through mCRM in organized retail outlets discusses about strategies adopted and advancements mCRM work effectively. The result indicated that mobile customer relationship management is an efficient tool that will make great adjustments, savings and benefits mCRM system very low cost and a great impact on the customer satisfaction for the organized retail outlets. Retailers gain the competitive advantage and improve customer relationship by mCRM.

Olannye, A. Peter, (2014) have examined that friendly interactions exhibited overwhelming positive effect on customer retention, indicating the importance of the dimension of interactive factor in perceived service quality. It is concluded that interpersonal relationship has become an important competitive
weapon in the hotel industry due to its potential in eliciting friendly interaction that fosters commercial friendship, emotional attachment and loyalty to the service providers. It is recommended that effective marketing performance requires good interpersonal communication, effective relational style, sound development of relational atmosphere and ensuring quality friendly interaction towards improved productivity and gaining competitive edge.

Aggrey Leonard Mwachala Mwangalika, Mjomba Majalia L Omindo Karim, H. Veronica (2014) have investigated that adoption of different strategies affected customer retention in the hotel industry in different ways. It is found out that price has less effect on the customer stay intentions in hotels of three star rating and above. Service quality, hotel image and technology utilization had a significant impact on customer retention. It is recommended provided state that there is need for hotels to be innovative and adapt to strategies that will make them competitive thus retaining their loyal customers.

Sanaullah Nazira, Sheraz Khana, Raja Ahmed Jamila, Qazi Shujaat Mehmood (2014) reported that revealed that there is a significant positive impact of different elements of customer relationship management (service quality, access to services and service features) on customer satisfaction and businesses cannot succeed without focusing on customer relationship management in this era.

Goldi Puri Mahesh Kumar (2014) the results indicated that success of any food and service establishment depends on its ability to satisfy their quests by providing a dining. The restaurants’ ability to satisfy their guests is the determining factor in customer retention and loyalty. Furthermore, it is a good financial proposition to increase the number of repeating guests and to attract new ones. The restaurant industry in India is large and providing a range of product and service.
Ashoka .M.I Ali Reza Mahnam (2014) has found out that the relationship between CRM practices and influence on the category to which they belong is higher than expected. Finally it was found that the relationship between CRM practices and influence on the category to which they belong is that only three-star hotels differed significantly from four-star and five-star hotels.

Mirimi Kumbirai, Jakachira Nyasha (2014) has indicated that operational and technological conditions in place for CRM in Zimbabwe’s hospitality sector are somewhat ineffective potentially due to limited resources for technological advancement and reluctant management systems to fully practice CRM. It is concluded that the emphasis on the need to promote technological integration in the business of the hospitality sector and promote a CRM strategy that take cognizance of customer needs as a drive towards better business performance in Zimbabwe’s Hospitality sector.

Job Dubihlela, Palesa Molise – Khosa (2014) have investigated add to the body of knowledge and enable the managers of this sector to implement e-CRM in the best shape possible, to match it with South African market-needs thereby creating more loyal and repeat clientele.

Customer relationship management is a strategy that can help the organizational to build long-lasting relationships with their customer and increase their profit through the right management system. Customer Relationship Management stores all information about its customer in a database and uses this data to co-ordinate sales, marketing and customer service departments so as to work together smoothly to best serve their customers’ needs, trust and relationship quality are directly associated with loyalty and personal interactions between customer and organization employee helps to retain and attract the customer.
Customer Relationship Management activities contribute to innovation programs, which clearly indicates the need for applying other mechanisms, such as supplier integration and they also try to know all its customers including their lifestyle, hobbies, likes and dislikes etc. based on that they make alteration on the product and services.

2.2 CUSTOMER LOYALTY:

Customer loyalty in behavioral terms is casually based on the number of purchases and measured by monitoring the frequency of such purchases and also brand switching. The following are the review of literature related to customer loyalty.

Yi-Ting Yu and Alison Dean (2001) have studied the role of emotions in satisfaction, and then compared the predictive ability of the cognitive and affective elements. The findings are that both positive and negative emotions and the cognitive component of satisfaction correlate with loyalty. Regression analysis indicates that the affective component serves as a better predictor of customer loyalty than the cognitive component. The best predictor of both overall loyalty and the most reliable dimension of loyalty, positive word of mouth, is positive emotions.

Marko Merisavo, Mika Raulas, (2004) have examined the effects of e-mail marketing on brand loyalty and also reveals the kind of e-mail content values by consumer’s. Survey method conducted and data collected from 890 consumers, who were users of multi-National cosmetic brands. Result revealed that the regular e-mail marketing has positive effects on brand e-mail activated consumers visited retail stores. Consumers exposed to e-mail to the marketing recommended the brand to their friends. These results encourage marketers to
keep in frequent contact with customers via e-mail with the aim of enhancing brand loyalty.

Anna Mattila S., (2004) has investigated the negative impact of service failures on customer loyalty. It also examined the moderating role of affective commitment on post-failure attitudes and loyalty intentions under two service failure conditions: a successful and poor service recovery. The findings indicated that emotionally-bonded customers might feel “betrayed” when a service failure occurs, thus resulting in sharp decrease in post-recovery attitudes. Conversely, this negatively affect was limited to poor service recovery among consumers with low affective commitment. Customers with lower levels of emotional bonding with the service provider were more “forgiving” when the service recovery was effectively handled. Poor service recovery led to more ambivalent post-failure attitudes irrespective of the degree of affective commitment between the customer and the service provider. It is suggested that affective commitment might reduce the spill-over effects of service failures to future loyalty behaviours.

Christopher White (2005) has explored the relationship between mood states, emotions, perceptions of service quality and customer loyalty in an extended service context. The results indicated that all of the variables were significantly correlated and mood state was demonstrated to influence the way judgments’ were formed, however, the contribution of mood to explaining the variance in loyalty intentions was minimal.

Serkin Ayden, Go khan Ozer, (2005) have examined the relationship between these factors Viz., corporate image, Received service quality, trusted and Customers switching costs and factors in the Turkish Government Service Manufacturing sector. Data were collected from 1662 mobile phone users in Turkey through well structure questionnaire. Analysis results showed that
received service quality is necessary but not sufficient condition for customer loyalty.

**Jennifer Rowley (2007)** has analyzed the major retail loyalty scheme, and also explored how loyalty scheme can be used to add brand value. It is found out that the result key characteristics of Tesco club card are summarized under the following heading, commitment and championing being integral to business processes, innovation and evolution, multi-dimensional reward design alignment with brand strategy and values, customer contract and value, and customer focus in information systems design and use.

**Gianfranco Walsh, Heiner Evenschitzky Maren Wunderlich, (2008)** have aimed to the empirical evidence of the conditions in which the satisfaction loyalty relationship becomes stronger or weaker. Data were collected from 700 customer of DIY. The empirical results suggested that not the entire moderators considered influence the satisfaction loyalty link. Specifically critical incidents and income are important moderator of the relationship between customer satisfaction and customer loyalty.

**Joseph Omotayo Oyeniyi, Joachim Abolaji Abiodun (2009)** have studied switching cost and its relationships with customer retention, loyalty and satisfaction in the Nigerian telecommunication market. Data collected from the customers in the mobile telecommunication industry through well structured questionnaire. It is found out that customer satisfaction positively affects customer retention and that switching cost affects significantly the level of customer retention. It was also found that the effect of switching barriers on retention is only significant when customers consider exiting.
Jamil Bojei, Aryaty Alwie (2010) has examined the relationship between relationship quality and loyalty across service types (Credence services versus Experience Services). The findings revealed that relationship quality influenced the loyalty in both service types. All dimensions of relationship quality have different magnitude of influence on relationship quality in both credence services and an experience service with “commitment” has the strongest influence and “communication quality” as the weakest dimension. In developing good relationship quality, the service provider should focus on both firm factors as well as interpersonal factors.

Marnik Dekimpe G., Jan-Benedict Steenkamp E.M., Martin Mellens, Piet Vanden Abeele (2010) have examined the over-time behavior of brand loyalty for a large set of brands drawn from 21 consumer packaged goods categories. The results revealed that robust to variation in the time interval used to construct the switching matrices, and to different treatments of multiple purchases.

Rahim Mosahab, Osman Mahamad, Ramayah T., (2010) have determined the quality of services offered by sepah bank and also to studied the relationship between the service quality, satisfaction and loyalty. Survey method was used and data collected from 147 customers of this bank were sampled. The results revealed that in all aspects, customers’ expectation, are higher than their perceptions of the Bank’s operation, and in fact the quality of offered services is low. It also found that the customer satisfaction plays the role of a mediator in the effects of service quality on service loyalty.

Joseph omotayo Oyeniyi, Joachim Abolaji Abiodum (2010) has investigated switching cost if one of the most discussed contemporary issues in marketing in attempt to explain consumer behavior. The present research studied switching cost and its relationship with customer relation, Loyalty and
satisfaction in the Nigerian telecommunication market. Random sampling methodology was adopted for analyzing the data. It is found out that customer satisfaction positively affects customer retention and that switching cost affects significantly the level of customer retention. However, the effect of switching barriers on retention is only significant when customers consider exiting sector.

Laohasirichaikul, Bunthuwun, Chaipoopirutana, Sirion, Combs, Howard (2010) have investigated the effects and the relative importance of the four perceived service quality dimension on corporate image, customer satisfaction, and customer loyalty. The multiple regression techniques were adopted. The date collected from 500 Thai out patients of the five largest private hospitals in Bangkok. The finding indicated that four dimensions significantly affect corporate image, customer satisfaction and customer loyalty more specifically. The doctor concern dimension is the most important factor affecting customer satisfaction and customer loyalty. The tangibles dimension is the most important factor affecting corporate image.

Olivier Morrison, John Huppertz .W (2010) have investigated customer loyalty status, external equity, and Satisfaction with service recovery. The methodology was used to conducted experiment mobile telephone service failure scenarios affecting two similar customer; the customer received either identical or one-half of the compensation of a relevant customer; who has described as either a member or non-member of the firms loyalty program. Participants were randomly assigned to condition in a 2X2 design, completing questionnaires that measured satisfaction with service recovery. It is indicated that when both focal and referent customer received equal service recovery, loyalty program status had no effect. When the referent customer received greater compensation, respondent were very dissatisfied with the outcome, but were significantly less dissatisfied if the referent customer was a loyalty program member.
Rujitana Mandhachitara, Yaowalak Pool Thong (2011) have investigated the roles of corporate social responsibility (a non service-related concept) and perceived service quality (a service-related concept) in determining the attitudinal and behavior loyalty of customers in the retail banking sector in Bangkok, Thailand. Out mere connected from customers through structured questionnaires. The results revealed that 275 bank customer’s that corporate social responsibility (CSR) has a significantly strong and positive association with attitudinal loyalty. Perceived service quality mediated the relationship between and repeat patronage intentions (behavioral loyalty). Direct effects were reported between perceived service quality and both attitudinal and behavioral loyalty. A positive relationship between attitudinal and behavior loyalty was demonstrated.

Munir Hossain, Anowar Ullah (2011) has studied the relationship between corporate image, trust, switching cost and customer loyalty in the context of a developing country – Bangladesh. Correlation analysis was used to test the impacts with a sample of 200 customers. The results revealed that corporate image, trust and switching cost are all positively related with repurchase intention. It is also revealed that there are not only relationships between these independent and dependent variables, but they are also statistically highly significant.

Organizations are giving emphasis to customers’ retention initiatives rather than only focusing on customers’ acquisition and also gives special emphasis on the retention of customers maintains the special request made by customers.

Encouraging marketers to keep in frequent contact with customers via e-mail with the aim of enhancing brand loyalty, affective commitment might reduce the spillover effects of service failures to future loyalty behaviors.
Positive word of mouth of customers enhances customer loyalty. It plays an important role to encourage other customers to buy their products.

Customer satisfaction sustains loyalty. Loyalty built upon satisfaction derived from a positive differentiation achieved by providing superior customer service. It is not always positive attitude and long-term relationship do not necessarily require positive commitment from customers. It also challenges the idea that customer satisfaction leads to long-lasting relationships.

2.3 CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER LOYALTY:

The relationship Marketing covers all actions for the analysis, planning, realizations and control for measures that initiate, stabilize, intensify and reactive business relationships with the corporation’s stakeholders, mainly customers and the creations of mutual value. Loyalty can originate from factors extrinsic to the relationship such as the market structure in which the relationship exists, but also in intrinsic factors such as relationship strength and the handling of critical episodes during the relationship.

Liz Lec-Kelley, David Gilbert, Robin Mannicom (2003) have investigated the link between customer relationship management and customer loyalty within an internet, or e-commerce context. Survey method was conducted. The results revealed that e-retail companies (with CD, DVD, Video and Book Product) should consider customer perceptions of relationship marketing efforts as they are fundamental to enhancing customer loyalty and that an enhancement of customer loyalty reduced price sensitivity.
Assion Lawson-Body, Moez Limayem (2004) have examined the impact of web site characteristics on the relationship between customer relationship management and customer loyalty. Data were collected from 170 Canadian IT organizations. The results indicated that internet and information system experts to inform businesses about the impact of internet network use on customer loyalty. These experts have to show businesses reliable methods of fixing customer loyalty that involve increasing the level of presence and interactivity provided by the internet.

Noor raihan ab hamid , Aw yoke cheng (2004) Have reported from a factor analysis reported 14 factors perceived as critical elements affording consumers repeat visits and intention to purchase.

Luke Gillies, Tomoko Kitamura , Maki Yokota-Landou (2005) indicated that little differentiation existed in terms of design and to a lesser extent range of rewards within the marketplace and that guests where often members of several programs. It is suggested that giving members more opportunity to invest in a program, especially early on they may become more committed to one program and therefore become loyal to a hotel chain.

Mosad Zineldin (2006) have examined Change in quality over time within various segments or related to specific products or categories of products/services can be used as an indicator the level of loyalty. By linking infrastructure, interaction and atmosphere indicators to the quality of object and processes, researchers and managers can document which changes in CRM strategy improve the overall satisfaction and loyalty, hence the ultimate outcomes.
Andreas Leverin, Veronica Liljander (2006) have investigated the relationship marketing strategy of a retail bank and examine whether – after its implementation – customer relationships were strengthened through perceived improvements in the banking relationship and consequent loyalty towards the bank. The results revealed that there is no significant difference found between the segments on customers’ evaluations of the service relationship or their loyalty toward the bank. Regression analysis revealed that relationship satisfaction was less important as a determinant of loyalty in the more profitable segment.

Du Plessis, Leon (2006) have examined customer relationship management and its influence on customer loyalty at liberty life in South Africa. Survey methods were conducted from 254 customers visiting the customer walk in centers situated in Johannes burg, Cape Town. The study indicated that a significant positive relationship exists between trust, commitment and conflict handling and customer relationship management at liberty life.

Nelson Oly Ndubisi, Chan Kok Wah, Gibson Ndubisiu c., (2007) have examined the impact of the relationship marketing underpinning, namely commitment competence communication and conflict handling on the one hand and customer loyalty on the other, as well as the mediation effects of trust and relationship quality. Survey method was adopted to collect data from 220 bank customers in kota kinabalu Malaysia. The result showed that relationship marketing strategies, namely communication commitment and conflict handling are directly and indirectly associated with customer loyalty moreover, trust and relationship quality are directly associated with loyalty.

Sulaiman Al-Hudhaif A., (2009) has examined the implementing CRM in the banks are to enhance the customer relationship and improve customer satisfaction. These objectives can be customer acquisition, customer retention
and increase the customer loyalty. Data were collected from a sample of twelve Saudi banks. The results revealed that there are critical success factors which play vital roles in the implementation of CRM and such factors have positive effects in the selected domain.

**Aluregowda (2009)** have indicated that brand loyalty of the hotel services are depending upon physical quality and lifestyle congruence on brand loyalty of consumer satisfaction. It is also revealed that the impact of brand equity, consumer satisfaction and brand loyalty service sector.

**Sondoh, Stephen Liason Jr Tanakinjal, Geoffrey Harvey, Yapp, Hon Tsin Emily, Jolonius, Judy (2009)** have indicated that customer satisfaction does influence customer loyalty. The results from hierarchical regression show that customer satisfaction does mediated the relationship between hotel image attributes and customer loyalty.

**Kevin Kam Fung So, Ceridwyn King, Beverley A. Sparks, and Ying Wang (2009)** have suggested that while the customer may identify with a particular hotel brand, hotel loyalty still depends on the customer’s positive evaluation of factors relating to service experiences. However, as consumers’ identification with a hotel brand affects their evaluation of these factors, hoteliers should leverage customers’ brand identification to engender positive consumer evaluation of the hotel brand and, ultimately, increase brand loyalty.

**Roberts-Lombard, Mornay, du Plessis, Leon (2011)** have investigated the influence of CRM on customer retention at a South African long-term insurance organization. Data were collected from 254 customers in four major centres in south Africa. It found out that the relationship between CRM and customer loyalty is significant at the long-term insurance organization will increase.
Sivesan S., (2012) has examined the relationship marketing on customer loyalty in private commercial banks commercial banks in Jaffna, srilanka. Relationship marketing was measured through commitment, trust, communication and conflict handling. It is found out that the correlation value between relationship marketing and customer loyalty is 0.753 which is significant at 0.01 levels. There is positive linear relationship between the relationship marketing and customer loyalty. According to the regression analysis, 58.6 of the customer loyalty were determining by the relationship management.

Duygu Kocoglu, Sevcan Kirmaci (2012) have examined that customer relationship management and customer loyalty in the banking sector. Data were conducted from 350 staff employed in all the branches in Denizli of T.C. Ziraat Banksai, the leading public bank of the banking sector. It is concluded that the study has customer relationship management affects customer loyalty in the banking.

Li-Min Chuang , Ming-Tien Tsai , Ze-Xiong Wu ,Jung-Jeng Shiu (2012) result revealed that trust has the biggest direct impact on customer loyalty, followed by service quality and customer interaction, service quality has a positive impact on customer loyalty and is also an important intervening variable derived from customer interactions that affects customer loyalty ,trust has a positive impact on customer loyalty and is also an important intervening variable derived from customer interactions that affects customer loyalty.

Arvid Hoffmann O.I, Cornelia birnbrich (2012) have examined a conceptual as well as an empirical link between retail banks activities to protect their customers from third party fraud, the quality of customer relationship, and customer loyalty. The methodology was used to empirically test the conceptual framework; data were collected in collaboration with large germen retail bank
results revealed that a positive association was found between customer familiarity with and knowledge about fraud prevention measures and the quality of customer relationship as measured by satisfaction, trust, and commitment. Quality of customer relationship, in turn, is positively associated with customer loyalty as measured by intentions to continue their relationship with and cross buy other products from their bank.

Dwi Suhartanto, Any Noor (2013) result revealed that contributed to the services marketing theory by providing an empirically based insight into the attitudinal loyalty determinants and also assist the budget hotel management to develop and implement competitive strategies.

Shahzad Khan (2013) has concluded from the study that hotel Grand customers retain on the basis of services they offered. While in Park Inn hotel the retention factors is food quality. Now it depends upon management of each hotel that how further they improve their factors of retention and how they make them more valuable to their customers.

Pardis Mohajerani, Alireza Miremadi (2013) results indicated that there was a significant difference between two perspectives (hotel managers and customers) in all effective factors of customer satisfaction and its consequences. According to the other objective the researcher found out that there is no significant difference in customer satisfaction between males and females.

Meera Arora (2013) has examined to role of service quality in developing long term relationship with customers. The data were collected from 262 mobile users of Indian telecom industry. The result indicated that regression relationship between customer loyalty and service quality presented high proportion of explained variance as the value of R square (0.591) and adjusted R square (0.501) are found to be statistically significant. Further standardized co-
efficient of beta of multiple regression analysis indicated that among the quality variables, reliability best predicts customer loyalty followed by assurance and responsiveness. The least predictor of customer loyalty is intangibles.

**Aggrey Leonard Mwachala Mwangika, Mjomba Majalia L., Omindo Karim H., Veronica Nyatichi (2014)** showed that adoption of different strategies affected customer retention in the hotel industry in different ways. It is found out that price has less effect on the customer stay intentions in hotels of three star rating and above. Service quality, hotel image and technology utilization had a significant impact on customer. Recommendations provided that there is need for hotels to be innovative and adapt to strategies that will make them competitive thus retaining their loyal customers.

**Hamad Saleem, Naintara Sarfraz Raja (2014)** suggested that high quality of services boost up the customer satisfaction and then afterward this satisfaction will strengthen the customer loyalty, our results also matched with Last but not the least strong customer loyalty directly related to strong brand Image.

Customer satisfaction plays the role of a mediator in the effects of service quality on service loyalty. Customer relationship management may encourage the customer be loyal and make them to purchase continuously and also encourage their friends and relatives to use that product based on the effective service provided by the organization.

Customer orientation is the realization that customers are a business asset that when managed effectively cans derive continuous and sustainable economic value for an organization over their lifetime.
Organizations are now paying more attention to their relationships with existing customers to retain them and increase their share of customer’s purchases. It also improves marketing productivity through improved marketing efficiencies and effectiveness.

Sales also increased from spending more time with customers, and it will withdraw from unlikely or bad deals earlier on in the sales process. It will result in increased margins about knowing customers better, providing a value sell and discounting prices. Customers find the organization to be more responsive and better in touch with their specific needs. Creates better satisfaction and also loyal.