

**ASSESSMENT OF CUSTOMER RELATIONSHIP MANAGEMENT
STRATEGIES USED BY TOURIST HOTELS IN DAR ES SALAAM**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE MASTER OF BUSINESS ADMINISTRATION
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SUPERVISOR CERTIFICATION

This is to certify that this research work title assessment of customer Relationship management strategies used by tourists' hotel and case study Dar es Salaam is original work of Novatus Msaiky B. and was done under my supervisor as a Open University of Tanzania lecture

.....

Dr. Salum Soud Mohamed

(Supervisor)

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DEDICATION

To my father Mr Bartholome Salema Lasway, my mother Martina Lasway, my brother Leonard Lasway, Avelini Lasway, to my friends Theophil Massenge, Swaleh Nkinde, Fredrick Assenga Innocent Shoo and Dr. John Roman.

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ABSTRACT

This study looked the assessment of customer relationship management strategies used by tourist's hotels in Dar es salaam. Specific objectives of the study is to find out which customer relationship strategies used in different hotels in Dar es salaam, to assess the impact of CRM on performance of tourists hotel, to identify challenges facing tourists hotel in Dar es salaam and to identify the most profitable customers by using CRM. Combinations of data collection methods were used and these were observation, interview schedule, and questionnaires. The data was then analyzed qualitatively and quantitatively based on research questions and objectives then the data was presented in form of table, frequency and charts. The study also identifies that the successful CRM strategies can shorten the distance between customers and the organization, contributing to organizational success through customer loyalty, superior service, better information gathering, and organizational learning the hotel industry will retain and maintain the customers. The study recommends that there is need to implements CRM because in achieving the full potential of CRM is the major objective of each tourist hotel in Dar es salaam because it helps the hotels to improve profitability, reduce advertising costs, gain competitive advantage and retain more customers.

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ABBREVIATIONS

CMI	Contact Management Information
CRM	Customer Relationship Management
ICT	Information and Communication Technology
PIM	Personal Information Management
TCT	Tanzania Confederation of Tourism
TTB	Tanzania Tourism Board
TTC	Tanzania Tourist Corporation
UNWTO	United Nation World Tourism Organisation

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Research Problem

This research study aimed to assess Customer Relationship Management (CRM) Strategies used by tourist hotels in Dar es Salaam specifically, the study aims to find which CRM strategies used by tourist hotels, assess the impact of CRM strategies on performance of tourist hotels and identify challenges faced by tourist hotels in implementing CRM strategies

CRM focuses on exploiting interactions with customers to maximize customer satisfaction, ensure return business, and ultimately enhance customer profitability. In practice, however, managers often perceive CRM from different perspectives, for example, CRM is a part of marketing efforts, customer service, particular software and technology, or even process and strategy (Swift, 2011).

According to Fowler and Fowler (1994), the term "tourism" is derived from the Greek word *torsos* which mean to turn. This implies that tourism has to do with a phenomenon whereby people (or tourists) travel, in a country or a selection of countries, only to turn home after their journey is complete. The term "tour" is defined as "a journey through a country from place to place.

Eadington and Smith (2007) argue that tourism cannot be thought of as a single cohesive industry. It is rather an "aggregate" activity (United Nations and World Tourism Organization, 1994). In its simplest sense, Gunn (1988) defines tourism as including any form of travel with the exception of commuting. This definition is in line with the British concept of tourism, which refers to all types of travel.

According to Toepper (2011), when defining tourism, one should ensure that it excludes normal activities and tourists must consume tourism-related goods and services and travel a specific minimum distance. The United World Tourism Organization (UNWTO) defines a tourist as someone who stays away from home for a period exceeding 24 hours.

The tourism industry in East Africa began with the establishment of the Tourist Travel Association in Nairobi in 1949. The Tanganyika National Tourism Board was established in 1962 followed by establishment of Tanzania Tourist Corporation (TTC) in 1969. TT was succeeded by the Tanzania Tourism Board (TTB) which was established in 1993 under the Ministry of Tourism and Natural Resources.

According to Kanza and Mbimba (2004), emphasis on tourism promotion in the tourism sector was not accompanied by investments in Information and Communication Technology (ICT). As it was later discovered, the use of ICT is an important input in the development of the tourism sector as it facilitates marketing, promotion and advertising of tourism products to targeted customers located all over the world.

The tourism industry in Tanzanian tourism mostly depends on safari and game viewing. Tanzania receives nearly 1,200,000 local and international tourists annually, with the number rising or falling depending on various factors such as economic condition, weather, security and competition from other tourist destinations. The tourism industry in Tanzania comprises of two main sub-sectors, hotels and tours operators (TCT, 2009).

Of the two sub-sectors in the tourism industry, tourist hotels are the main recipient of tourism monies because it is the one which is responsible for providing the bulk of services demanded by tourists such as accommodation, food and entertainment. It is estimated that there are over 2,500 bedrooms in tourist hotels in Tanzania, and the number is increasing due to high demand (TCT, 2009).

However, the tourism industry, especially tourist hotels, are yet to meet demand for quality five star accommodation compared to other countries such as Kenya and South Africa. For instance, tourist hotels in Kenya have a combined total of 7,000 hotel bed rooms which is almost three times compared to the number of hotel bedrooms in Tanzania.

Tourist hotels in Tanzania are battling to maximize and exploit tourism to its maximum potential. In this, one of the strategies used by tourist hotels to maximize potential is using Customer Relationship Management (CRM) strategies to ensure that they attract and retain customers by offering quality services that meets demands of tourists and keeps them satisfied.

1.2 Statement of the Research Problem

An important resource in any hospitality industry is human resources. This should be emphasized in the context of a hotel since CRM in hotel, staff play important role in maintaining the customer. Customer does not hesitate to switch to another hotel if they are not satisfied with the services provided. Even if a hotel gives the best services quality to the customer, there is significance probability for the services to fail if the hotel management have bad attitude towards customer. CRM programme Subramania (2004)

The survival and success of tourist hotels largely depends on the ability of the hotels to market, establish, and maintain good relationships with their customers. Kanza and Mbimba (2004) found that only 45% of Five Star tourist hotels in Tanzania use CRM strategies as part of their marketing efforts. These findings suggest that there are challenges facing tourist hotels that hinder them from applying CRM strategies.

The challenge then becomes implementing relationship marketing with absolute measures to guarantee customer classification and monitoring the return on customized offers to the market. Even though literature has shown that relationship marketing leads to performance, in practice firms struggle to adapt models to their business contexts. CRM is not novel concept, the careful application of CRM philosophies, perspectives, and processes have not yet to be fully implemented within hospitality context as strategic hotel challenges escalate. It is essential for hospitality professional to embrace CRM techniques to heighten the probabilities of increasing customer and retain them.

1.3 Objectives of the Study

1.3.1 General Objective of the Study

The general objective of the study is to assess Customer Relationship Management (CRM) strategies used by tourist hotels in Dar es salaam.

1.3.2 Specific Objectives

Specific objectives of the study are:-

- i. To find out which CRM strategies used in different hotels in Dar es salaam

- ii. To assess the effectiveness of CRM on performance of tourist hotels.
- iii. To assess quality services and multichannel integration in tourist hotels.
- iv. To analyze the most satisfied clients by using CRM

1.4 Research Questions

This research study will be guided by the following research questions:

- i. What CRM strategies used in different hotels in Dar es Salaam use?
- ii. What is the effectiveness of CRM leads to customer satisfaction in tourist hotels?
- iii. What are the quality services and multichannel intergration in tourists' hotel?
- iv. What are the most satisfied clients by using CRM?

1.5 Significance of the Study

This information generated from this study will help as a guideline to all owners of tourist hotel, stakeholders in the hotel industry in Tanzania and members of the general public by enabling them to be aware of CRM strategies used by tourist hotels in Dar es Salaam, the impact of those CRM strategies on performance of tourist hotels and the challenges they face in implementing those strategies.

Also, the findings of this research study also be used by the Ministry of Tourism and Natural Resources and other stakeholders of the tourism industry (e.g. Tanzania Tourism Board (TTB) and Tanzania Confederation of Tourism (TCT)) to come up with strategies that will enhance of the capacity of tourist hotels to compete at both, local and international level through utilization of CRM strategies.

1.6 Scope of the Study

The study was being limited to tourists' hotel in Dar es salaam particular in Ilala district Kinondoni area and Temeke. Due to time availability. Financial constraints, availability of different grade of hotel five star hotels, four star hotel three star hotel and also accessibility of data it was been easy the study was focused only in CRM strategies.

1.7 Organization of the Study

The remainder of the study was generally organized as follows. Chapter two represent a synthesis of the relevant literature that was been reviewed. It was also focused on the Conceptual Framework. It identifies relevant theories and concepts that was been used in the study as a guide to gain better understanding of the customer relationship management. Chapter three represents the methodology of the study. It was also centered on the data collection: population, sampling, research instruments, access strategies and credibility of the study. Chapter four present findings of the study and chapter five presents conclusion and recommendation.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The review of literature can lead to draw some significant conclusions and serve as a guide mark for the study. It also gives a fair chance to identify gap (s) that exists in the area of research. Some of the important studies will be reviewed under different performance measures such as efficiency, frequency and size of claims and service quality in the empirical review below.

2.2 Conceptual Definitions

2.2.1 Definition of Customer Relationship Management

Scott, (2011) defines CRM as a set of business processes designed to capture, retain and provide service to customers. In Jazz and Karen (2004) define CRM as a coherent and complete set of processes and technologies for managing relationships with current and potential customers and associates of the company, using the marketing, sales and service departments, regardless of the channel of communication”.

CRM is a process designed to collect data related to customers, grasp customer features and apply those qualities in specific marketing activities. Choy et al (2003) suggests that CRM is an information industry term for methodologies, software, and usually various internet capabilities that help an enterprise manage customer relationships in an organized way. CRM stands for Customer Relationship Management, to get a detailed idea about CRM various authors have given different

definitions which are as follows: According to Bose (2007) CRM is defined as “an enterprise wide integration of technologies and functions such as data warehouse, Websites, intranet/extranet, telephone support system, accounting, sales, marketing and production”.

According to Swift (2011) CRM is defined as “an enterprise approach for understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty and customer profitability”. From the above it is clear that managing the customer plays a very important role in CRM.

2.2.2 CRM in Hotel Industry

According to Chon and Sparrowe (2008), Tourism is expanded to a very large extent claiming that it has become a huge provider for jobs. Hospitality Industry is a part of Tourism Industry. The term Hospitality Industry usually makes people think about restaurants and hotels which are some of the places for entertainment of visitors or guests.

According to Powers and Barrows (1999), the term hospitality not only includes hotels and restaurants it also refers to the institutes that provide food and shelter to the people. Hotel Industry as a part of Hospitality Industry is a large diverse industry. It covers all the enterprises ranging from small to large firms that give an efficient contribution to national and international economy.

Hotel Industry is at times very complex because of several reasons which are listed as follows: Firstly, the industry may be very complex as there are a number of

categories in an industry which are very large. According to Jones (2007), these categories can be hotel location like rural side or seaside, hotel quality like luxury, midrange or first class, hotel style like resort hotel or traditional hotel.

2.3 Theoretical Literature Reviews

A CRM system is often integrated with other decision support systems across all Functional areas, such as enterprise resource planning system, executive information Systems, supply chain management system, and product life-cycle management Systems. In doing so, organizations can create better management information in terms of planning, acquiring, and controlling across all channels and thus have superior products and services that lead to larger revenues and larger profits. CRM systems can also help organizations maximize their abilities to interact with their customers. This not only leads to improved quality but will enhance the rapid response to customers 'needs (Anderson, 2006).

2.3.1 Economic and Management Theory

Economic and Management Theory teaches us to examine options with relative scientific objectivity to determine the most efficient and profitable processes to increase revenue. Simply put, we look for the quickest and most effective way to make a profit.

What does Economic and Management Theory teach us about CRM?

In 1959 Frederick Herzberg, a psychologist, found that job satisfaction and job dissatisfaction acted independently of each other. The theory states that there are certain factors in the workplace that causes job satisfaction, while a separate set of

factors cause dissatisfaction. The factors that cause job satisfaction are called motivating factors while the factors that cause dissatisfaction are called hygienic factors. Basically put, motivational factors tend to increase job satisfaction. Hygienic factors are necessary to prevent dissatisfaction, but only serve to de-motivate job satisfaction if these factors are not present.

If we relate this theory to CRM we can safely state that hygienic factors are those things that the customer expects whenever they purchase your goods or services; the phone is answered in a timely fashion, the bathrooms are clean, orders are fulfilled correctly, and the many things customers simply expect from your company every time they interact with you. Motivational factors can further be defined (in relation to CRM) as those factors that increase your sales; lowering your price, customer loyalty. In economic theory, the law of demand states that, in general, price and quantity demanded in a given market are inversely related. In other words, the higher the price of a product, the less of it people would be able and willing to buy of it (other things unchanged). As the price of a commodity rises, overall purchasing power decreases (the income effect) and consumers move toward relatively less expensive goods (the substitution effect). Other factors can also affect demand; for example an increase in income will shift the demand curve outward relative to the origin (increased demand leads to increased prices and vice versa).

So we can say that customers have a certain level of expectations (hygienic factors) and are enticed to purchase our goods and services through sales, marketing, and other factors (motivational and economic factors).

In other words, the customer is very complex. It is rarely only about price (unless you have a homogeneous product/service with an abundance of substitutes and a perfectly inelastic supply curve). Customers expect a certain level of service to accompany their purchasing experience. The key item here is what kind of experience, how much service, and what and how often they purchase.

2.3.2 CRM Behavior Theory

To better understand CRM for corporate clients, we need to identify the main differences between CRM for corporate clients and for consumers – the complexity of CRM for corporate clients. This is confirmed by Webster who argues that marketing for corporate clients, as one element of CRM, can be characterised by the complexity of products and purchase processes. Coviello and Brodie recognise that ‘marketing appears to be relational in B2B [business-to-business] firms and more transactional in consumer firms’ although there are key similarities, such as the approach to market planning. Gummesson adds that B2B CRM consists of ongoing business, whereas CRM for consumers focuses on everyday transactions. There is no active management of service-level agreements for consumers. Understanding corporate clients’ CRM demands an understanding of the organisational Theory of the Firm, as interplay of technology, social structure, culture, and physical structure’. A better elaboration of dynamic perspectives of CRM is needed to improve understanding of CRM causalities, that is, Systems Theory and Systems Thinking. CRM in service industries requires an understanding of principal service characteristics, which are virtually always neglected or ignored in the CRM literature. We also need to consider whether, from the point of view of CRM

analysis, management of services differs from manufacturing management. A tentative answer is given by Normann who claims: 'Yes and no'. Services can be evaluated and offered like nominal economic goods. Thus, both services and manufacturing goods can be classified as products. Second, Sasser *et al* recognize that services cannot be stocked, Levitt explores that service 'production' takes place in the field, whereas Normann emphasizes that the customer is 'a participant in the production of the service and it is also necessary to 'manage' them as part of the production.

2.3.3 Marketing Theory

Customers assess the value of goods and services based on what is received and what is sacrificed (Zeithaml, 1988). The notion that only customers can assess value to goods and services. However, this theory was largely ignored by the academic and business communities alike. From the beginning of the 1990s onward this *value-in-use* notion as opposed to a value-in-exchange view, has been put forward in the marketing and management; Gummesson, 2002;

2.3.4 Complementary Theories of Customer Loyalty

Depending on the model the implication for practice can be significantly different. For example advocates of attitude approach aim to increase sales by enhancing beliefs about the brand and strengthening the emotional commitment of customer to their brand moving customer up a customer ladder through image based or persuasive advertising and personal services program are frequently used tactics Brown (2000)

As such, CRM makes itself a necessary tool for businesses because it distinguishes an organization from its competitors with the knowledge resources about product ideas and the ability to identify and find solutions to customers' problems. CRM can shorten the distance between customers and the organization, contributing to organizational success through customer loyalty, superior service, better information gathering, and organizational learning. Some have argued that customer satisfaction and loyalty is a science; however, Phelon (2004) takes it up a level by saying that "customer leverage is an art."

Sigala (2005) suggested an integrated managerial approach to hotel CRM include the three areas of information communication technology (ICT), internal and external relationship management, and knowledge management. CRM-related research in the Hotels have looked at various specific practices in isolation. They include loyalty programs, brand loyalty, customer satisfaction, knowledge management, information and communication technologies, and internal and external marketing (Bouncken, (2002; Choi and Chu, (2001)

The term CRM was stated with the desire of combining the terms like customer support, data mining and enterprise resource program. It is not known that who introduced this term to the business world but it can be said that this term emerged from the error approaches. At first there was a term called Personal Information Management (PIM) then it was slowly changed to Contact Management System (CMS).

The managers in CMS are very bright as they provided flexible productivity tools for any organization. CMS was then morphed as Sales Force Automation System (SFA)

which acts as a basis for Customer Relationship Management (CRM). The term CRM provides various tools and methodologies to manage customer relationships in an organized process.

Finally, CRM was molded as an approach to maintain excellent relationships with customers by increasing customer lifetime value (Bose, 2003). In the year 1980's the CRM was based on database marketing with catch phrase. This was through the customer service groups can communicate individually with the company customers. When coming to the larger companies the lines of communication was open and tailoring service towards the customer needs. Here in the case of cluttered database there is a problem of disorder database which was not able to provide good insight (Bose, 2003). In 1990's organizations have started their Customer Relationship Management with two-way street.

Instead of collecting the large amount of data for their own use, they have started to provide data to the customers. And they have also started to give improved customer service like gifts, incentives and other perks for the customer loyalty. And then CRM provided a great and success way to the improved sales with the active improvement of the customer services (Bose, 2003).

The objective of CRM is to find out the strategies used by tourists' hotel. It is very essential for any business to know that how to differentiate customer treatment according to an individual preferences. For differentiate customer treatment, the companies use personalized service and customized products which make customers feel special (Raghunath and Shields, 2011).

Getting closer to customers and effectively responding to their needs is a great way to boost their loyalty and encourage deeper business relationship. The task of getting and retaining customers requires even greater skill and effort. The business needs to ensure that the service works as the customer actually wants it to, and the customers want to do business in 'their' way, not to be forced to do it in the enterprise's way (Raghunath and Shields, 2011).

Most companies consider them customer-focused and believe that in being so they are servicing the customer. But eventually, being customer focused means to have a consistent, dependable and convenient interaction with customers in every encounter. CRM technologies focus on managing all interactions that an organization has with its customers, in order to leverage the data. Generally speaking, the five needs of customers are:- service, price, quality, action and appreciation (Raghunath and Shields, 2011).

Apart from these, there would be needs, which even the customers have not taken care of, but which, if would have satisfied will lead to higher customer loyalty. CRM, if practiced properly might lead to cross-selling and up selling of products and services. Cross-selling means selling the right product to the right customer. One other relevant attribute of CRM is its ability to help in the ego-mending of customers (Raghunath and Shields, 2011) CRM is an integration of contact management, sales automation, marketing automation, customer service and support, e-commerce, partner and channel management etc. It is not just a software solution, but also, a set of skills and competencies that will enable a company to better leverage and profit from each and every customer relationships.

2.3.5 Empirical Literature Review

Sweeney Group defines customer relationship management (CRM) as “all the tools, technologies and procedures to manage, improve, or facilitate, support and related interactions with customers, prospects, and business partners throughout the enterprise”. This broad definition involves CRM in every process of a business transaction. A well designed CRM shares the characteristics as follows:

CRM can be useful for building online communities, developing business-to-business customer exchanges, personalizing services, etc. It makes interactions between a business, its channels and its customers possible. It provides the means for the customer to contact the company and enables collaboration between suppliers, partners, and customers.

2.3.6 Empirical Reviewed in the World

Interactive voice response technology is another enhancer for CRM in e-business. It can mimic most actions of live agents such as identifying customers by name, asking for identification verification, speaking in any languages, or connecting to a live agent when appropriate. This new technology can even allow call centers to contact their customers more frequently to offer new services and improve the relationship between the companies and their customer (Lubben, 2006). Based on the stored information, CRM can also be automated to respond to customers in terms of offering special discounts according to the customers' needs.

The rising standard for CRM excellence. In the past decades, with the enhancement of technology, the market has been rapidly changing and has become a very

competitive place for businesses. Customers are becoming more demanding and competitors are growing faster every day. Organizations, in order to survive in the market, must outdo each other to be able to succeed. If these difficulties are not recognized, organizations who rush into implementing CRM programs will stumble. Also, not all companies who implement CRM have been successful. Often, these companies have overlooked the critical factors that lie behind a CRM project. (Kovacs, 2006):

In the marketing literature, CRM has been placed in the overall context of marketing thought and especially that of relationship marketing strategies, as “an ongoing process that involves the development and leveraging of market intelligence for the purpose of building and maintaining a profit-maximizing portfolio of customer relationships” (Zablah et al., 2004, p. 480). CRM is considered to unite the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to understand customers and create value with them.

CRM can be useful for building data warehouses, improving relationships, analyzing data, etc. It uses customer data to create a mutually beneficial relationship between a business and its customers. This analysis, modeling and evaluation help to optimize information sources for a better understanding of customer behavior.

In operational CRM, Customer data is collected through a whole range of touch points such as contact centre, contact management system, mail, fax, sales force,

web, etc. The data then are stored and organized in a customer centric database, which is made available to all users who interact with the customer. A typical operational CRM is a call centre or contact centre.

A contact management system can provide complete and comprehensive tracking of information relating to any contact with customers. This is known as 100 per cent focus on the customer. The benefit of this type of CRM is to personalize the relationship with the customer, and to broaden the organizational response to the customer's needs (Kotorov, 2007).

2.3.7 Empirical Reviewed in Africa

The general growth in the Kenyan economy and steady increase in tourism earnings due to CRM strategies (US\$286,000 in 2002 to US\$855 million in 2007) have led to expansion and new investments in hotels in Kenya. Hospitality organizations are turning to performance measurement and management in order to qualify for the International Organization for Standardization standard certifications, and Company of the Year Awards. General business pressures, the achievement of the coveted five-star rating and membership to international hotel associations have created the need for effective key performance indicators. Furthermore, organizations that have already implemented the balanced scorecard performance measurement system have shown much better results (Malinga, 2004 in de Waal, 2007).

Second, much of the extant research on POS has been employed in the developed Western countries (cf. Chen et al., 2005; Tumwesigye, 2010). As a matter of fact, empirical research based on data derived from developing sub-Saharan African

countries in the services marketing literature is still sparse (Svensson et al., 2008). In the present study the previously mentioned relationships are tested with data obtained in the hotel industry in Cameroon, a sub-Saharan African country. Yaounde´ is the capital city of Cameroon, while Douala is regarded as the economic capital city of the country.

2.3.8 Empirical Reviewed Tanzania

An interesting feature of hospitality industries such as hotels is that they exist in clusters depending upon certain demand and supply characteristics. While Tanzania has committed to strengthening its tourism industries, much of this activity remains clustered in the northern region, or around the city of Arusha. Other important tourism hubs are Dar es Salaam and Mwanza. Even though small hotels face CRM different and varying levels of challenges in these three cities, some have been more successful than other. Sharma (2006).

While there are success stories, as a whole the small business sector of the hospitality industries in Tanzania does not appear to be prospering and providing quality products and services. Mechanisms learned in other environmental contexts (such as developed or westernized economies) may not provide workable solutions to strengthen small business sector in developing nations. It will therefore be more beneficial to understand the impact of differing policy and industry environments within Tanzania on small hotels. This together with the background of each region's current and past success as a whole could provide practical implications for both policy makers and industry practitioners Sharma (2006)

Many nations in sub-Saharan Africa are identifying the development of hospitality Industries as an important source of economic diversification. As a consequence, the analysis of hotel and restaurant businesses in these nations is becoming a significant research issue. For instance, the contribution of aggregate tourism activity in Tanzania is as much as 5.5-8 percent of national gross domestic product (GDP) (MIGA, 2002). Recent estimates suggest that small hotels and restaurants add over 70 percent of these contributions, they also provide employment opportunities in these otherwise high unemployment rate nations, and are a critical source of entrepreneurial activity (Sharma, 2004). While Tanzanian government has promoted foreign direct investment (FDI), systematic policy support for small businesses is still lacking. As a consequence, small hotels may be facing obstacles that are influencing their performance.

It is far easier to grow a business by retaining customers than by finding new ones. Customer service, however, should be viewed as one part of customer relationship management (CRM) strategies and while individual technologies may be used to ease “pain points,” the full benefits will not be realized until the concept of customer centricity is accepted enterprise wide.

The Internet boom has driven the demand for Web-based customer service solutions. Web sites can provide a powerful customer self-service capability. These self-service sites allow customers to interact with the enterprise without human interaction. Customers can resolve inquiries, check the status of an order, view product information, check and edit account details, and perform a broad range of other tasks

2.4 Research Gap

CRM or customer relationship management is the concept behind technologies and initiatives aimed at building customer relationships. At the heart of the concept is the belief that customer loyalty is nurtured. A gap analysis is the process of comparing the current state to the future state. That is, the analyst is looking for gaps in the current process---these are then identified as opportunities to improve processes within customer relationship management. Better CRM equals better customer relationships equals higher market share.

The important aim of reviewing the literature is to identify the gap. The research gap in the research is an area where no previous information is available. The previous studies done in this area of CRM strategies in tourists hotel has put a greater focus on how to implement CRM strategies in hotel and leaving behind the performance, the challenge and customer retention after implementing CRM. The study will now shed a light on the assessment of customer relationship management strategies used by tourist hotel in Dar es salaam.

2.5 Conceptual Framework

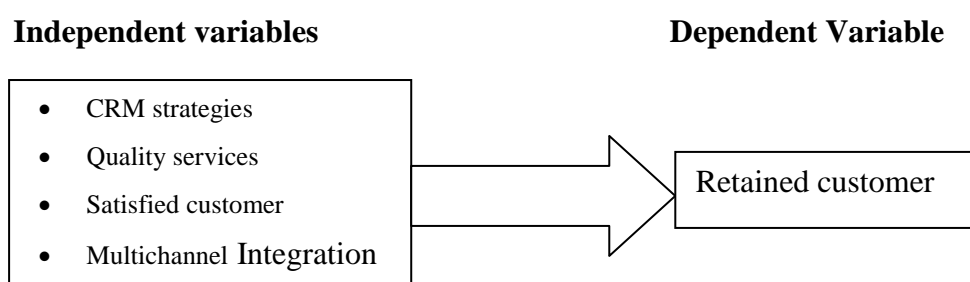


Figure 2. 1: CRM Strategies

Source: Researcher 2013

2.6 Theoretical Framework

The conceptual framework explains that tourist hotels use CRM strategies to attract and retain customers by offering quality services that satisfy the needs of their customers, and the objectives of this study to suggest solution to such challenges. If there is poor CRM Strategies the hotel will face poor retention of customer. Hotels use CRM strategies to improve value proposition and use it to acquire and retain more customers. The multichannel integration process involves the sales force, marketing, outlets points of sale, telephone communication, direct marketing, electronic commerce website and web-based booking system

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the overall research design, location of the study, sample of the study, sample size, sampling techniques used to select respondents, nature of the study, data collection techniques that have been used to collect relevant information and data analysis as well as sources of data collection techniques.

3.2 Research Design

Research approach is conducted; it constitutes the blue print for the collection, measurement and analysis of data. Saunders, et al (2008), a research approach is a master plan specifying methods and procedures for collecting and analyzing the required data.

Qualitative data means the soft data like the atmosphere at work. The research gathers, interprets and analyses the data that cannot be quantified. It is implemented to give a complete understanding on the information gathered and the problem that was been studied. Qualitative Research mainly concerns about the qualitative phenomena that is the phenomena related to the quality.

Qualitative research methods include a process which mainly concentrates and understands the problem from various resources. And attempt to make sense to the research by taking suggestions from the people. The research Includes case study, interviews, historical, and from visual texts. In order to organize data Qualitative

research takes place in the natural world, and includes many Features like it focuses on context, uses multiple methods which are interactive and humanistic, fundamentally interpretive, Qualitative Research Approach are chosen in order to get a clear understanding on the usage of Customer Relationship Management in the hotel industry. While conducting the research the use of deductive approaches to be. Deductive approach indicates that a conclusion is drawn from true statements the observation of fact statements Deductive approach is chosen because the study starts from literature overview which is again compared with empirical findings and also the purpose of this study is not to produce any new theories but to give efficient solutions for Customer Relationship Management in hotel industry.

The study uses case study because a case study is a comprehensive description i.e. cases. In the case of this study, the study concentrated on assessment of management practices in the tourism industry by focusing on Customer Relationship Management Strategies (CRM) employed by tourist hotels.

Cross sectional studies are known as descriptive research not causal or relational. The information was recorded is present in population but they do not manipulate variables. This type of research can be used to describe characteristics that exist in population but not to determine cause and affect relationship between different variables.

3.3 Area of the Study

This study was limited to tourist's hotel in Dar es Salaam particular in Ilala district Kinondoni area and Temeke. Respondent has been chosen among hotel

managements in Dar es Salaam, in helping for data collection study. In my research is limited to only individuals, Moreover the study was focused only in CRM strategies.

3.4 Population of the Study

The term population is an entire group of individuals, events or objects that have a common observable characteristic Babbie (2011). It refers to all elements that meet certain criteria for inclusion in a given universe. The population of this study comprises 40 sample members of staff from the CRM, Marketing and Customer Care Departments of four tourist hotels in Dare s salaam.

3.5 Sampling Procedures and Sample Size

According to Kothari (2006), sampling is defined as the selection of some parts of aggregate of the totality based on which a judgment or inference about the aggregate or totality is made. It is a process of selecting a group of people, events, behaviour, or other elements. An important issue influencing choice of a sampling technique is whether a sampling frame is available.

Kothari (2006) defines sample as a collection of some parts of the population to be a true representative of the population. Sample size refers to a number of items to be selected from the population. A sample size of 40 respondents is due to available resources time of study and majority of employers in hotel they don't have knowledge on CRM only few of them especially marketing department know CRM strategies in hotels. 20 hotels in Dar es salaam purposively selected from among the population based on their familiarity with the research topic.

Table 3. 1: Sample Distribution

Categories of hotel	Number of hotel	Number of respondents
Five star	4	5
Four star	6	12
Three star	10	23
Total	20	40

Source: Researcher

3.6 Variables and Measurement Procedure

Measuring CRM process is a vital to being able to improve upon it (Curry and Kkolou 2004) for CRM initiatives to be seen as a success there needs to be change in the customer behavior as a result from it. Greenberg (2004) divide the measurement into two different categories which is customer and performance.

3.7 Methods of Data Collection

During the study both primary and secondary data collection methods was conducted. Primary data collection methods that has been used to collect data include; observations, questionnaires and interviews.

3.8 Data Collection Tools

3.8.1 Questionnaire

A questionnaire is a set of questions which are usually sent to the selected respondents to answer at their own convenient time and return back the filled questionnaire to the researcher. In these study questionnaires has been used to collect information from respondents. The reason for using questionnaires is because they cover large sample at low cost.

3.8.2 Observation

According to (Kothari, 2006) observation is the method where the information is sought by the way of own direct observation and environment scanning without involving respondents. The researcher makes observations on how tourist hotels implement CRM strategies. Observation method has been used because it allows the researcher to see the situation.

3.8.3 Interview

According to (Kothari, 2006), an interview is a set of questions administered through oral or verbal communication, tape recorder, or is a face to face discussion between the researcher and the interviewee respondent. Both group and individual interviews conducted with respondents. Interviews enabled the researcher to get supplementary information obtained by using questionnaires.

3.8.4 Documentation

Documentation method used because it enabled the researcher to get ready-made data and information by passing through various documents such as; books, magazine, journals and research reports concerning the topic in question. This method helped the researcher to simplify the task of the researcher by providing readymade statistical information.

3.9 Data Reliability and Validity

In order to ascertain reliability of the study, a pilot study was conducted. Questionnaires distributed to respondents. This is done so as to identify questions that might be unclear or ambiguous to the respondents. It also aims to identify any

non-verbal behavior of the participants that may possibly show discomfort or lack of comprehension on the questions asked in the questionnaires.

The traditional criteria for validity find their roots in a positivist tradition, and to an extent, positivism has been defined by a systematic theory of validity. Within the positivist terminology, validity resided amongst, and was the result and culmination of other empirical conceptions: universal laws, evidence, objectivity, truth, actuality, deduction, reason, fact and mathematical data to name research. Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, does the research instrument allow you to hit "the bull's eye" of your research objectives. Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others.

3.10 Data Management and Analysis

The data has been collected using methods listed above; the data has been reduced into summary form. The summary processed by using MS Excel. The research findings organized and presented by using words, numbers and percentages by using tables, charts and graphs. Data analysis and interpretation enable the researcher to get a solution to the research problem and recommendations.

CHAPTER FOUR

4.0 RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter offers presentation, discussion and analysis of findings of the study. Specifically, the study aimed to find out which CRM strategies used in different tourist hotels to assess the impact of CRM, to identify challenges facing Dar es salaam tourist hotels in implementing CRM strategies and to identify the most profitable client by using CRM. The analysis has taken sequential approach in the research questions as provided chapter one. This chapter begins with respondents characteristics. Descriptive statistics and test statistical are concurrently provided to bring about consistence evaluation of the figure and implication that are drawn therein.

4.2 Level of Education of Respondents

From questionnaires filled in by respondents, the researcher analyzed the level of education of respondents. The objective of this analysis was to determine whether or not level of education is one of the factors that determine effectiveness of CRM among tourist hotels. The findings of the analysis were recorded as shown in table 4.1 below.

Table 4. 1: Level of Education of Respondents

	Number of respondents	Percentage
Certificate	16	40%
Diploma	18	45%
Degree	4	10%
Masters	2	5%
Total	40	100%

Source: the author 2013

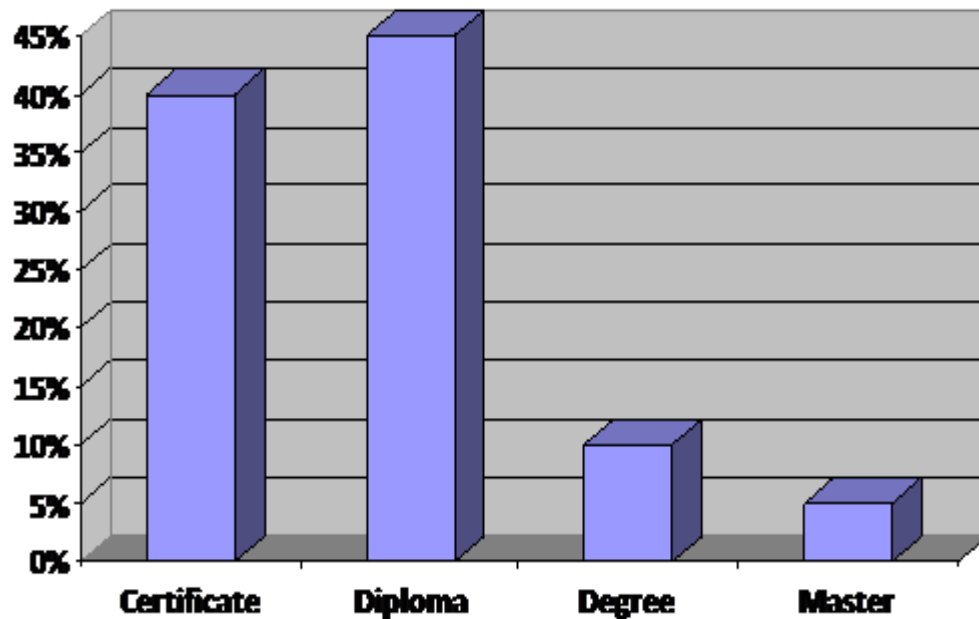


Figure 4. 1: Level of Education of Respondents

Source author 2013

The findings of the survey shows that majority of respondents (45%) had Diplomas, followed by 40% of respondents who hold certificates, 10% of respondents who hold Degree and only 5% who hold a Master Degree. These findings show that respondents are qualified enough to perform their duties effectively.

4.3 Level of Work Experience of Respondents

From questionnaires filled by respondents, the researcher analyzed the level of work experience of respondents to determine whether or not effectiveness of CRM is determined by the level of work experience of respondents. The feedback from the analysis was documented as shown in the table below:

Table 4. 2: Level of Work Experience of Respondents

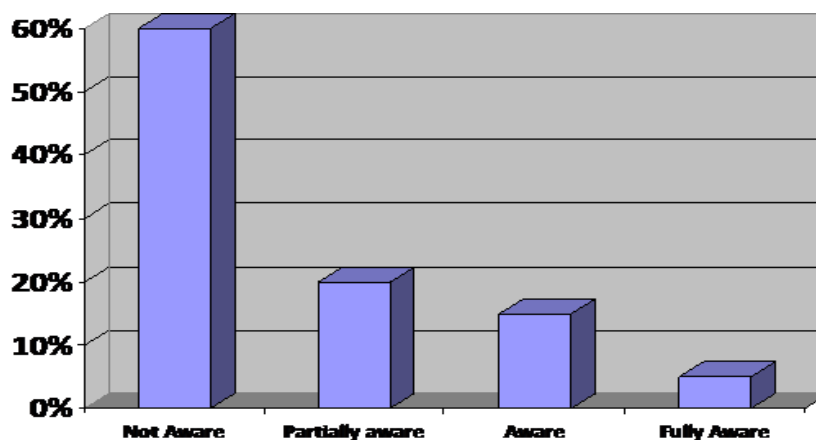
Level of experience	Number of respondents	Percentage
1- 5 years	20	40%
6- 10 years	10	25%
11-15 years	8	20%
More than 15 years	2	5%
Total	40	100%

Source author 2013

The findings of the survey shows that a total of 40% of respondents have work experience of 1-5, and who have experience on 6-10 years are 25%, also 11-15 years are 20% and who have experience above 15 years are 5%. These findings show that respondents have enough experience to enable them to perform their duties effectively.

4.4 Level of Awareness on CRM

To establish level of awareness on respondents on the issue of CRM, the researcher analyzed the questionnaires filled out by respondents to assess their level of awareness on CRM. The findings from the survey were documented as follow

**Figure 4. 2: Level of Awareness of Respondents**

Source author 2013

The findings show that majority of respondents (80%) are either not aware or partially aware of CRM. The researcher found out that the rest of respondents were aware of CRM but lacked deep understanding of the complexities and nuances of CRM. These findings suggest that respondents are not aware of CRM.

4.5 Training on Among Respondents

To establish whether or not respondents had attended any form of training on CRM, the researcher analyzed questionnaires filled out by respondents order to establish whether or not effectiveness of CRM is determined by training on CRM. The findings of the analysis were documented as shown in the table and figure below:

Table 4. 3: Training on CRM Among Respondents

	Respondents who not have received training on CRM	Respondents who have received training on CRM
No. of respondents	30	10
Percentage	75%	25%

Source author 2013

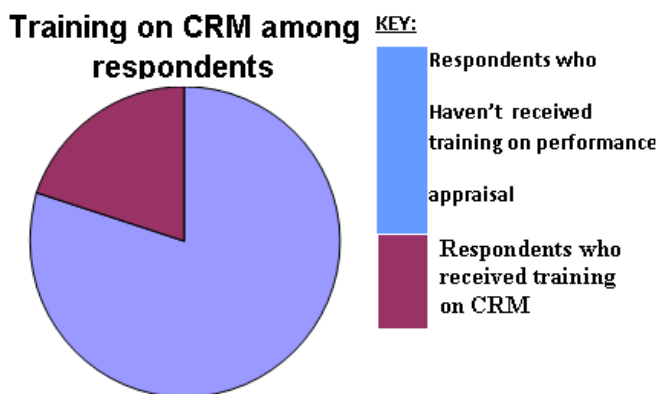


Figure 4. 3: Training on CRM Among Respondents

Source author 2013

The results show that 75% of respondents had not received training on CRM. These findings are congruent with previous findings which showed that majority of respondents were either not aware/partially aware of CRM.

4.6 CRM Strategies Used in Different Tourist's Hotel

To establish the objective of CRM strategies used by tourist hotels in Dar es salaam the researcher asked respondents to give their opinion on what they perceive to be the main objectives of CRM in tourist hotels. The feedback from respondents was documented as shown in the table and figure below:

Table 4. 4: Objectives of CRM in Tourist Hotels

	Reducing cost	Sustain competition	Retain customers	Increase profits	Total
Number of respondents	6	10	16	8	40
Percentage	15%	25%	40%	20%	100%

Source author 2013

The findings of the study show that the main objectives of CRM in tourist hotels are; retaining customers (40% of respondents), sustaining competition (25% of respondents), increase profits (20%) and reduce costs (15% of respondents). These findings show that tourist hotels mainly use CRM to attract and retain customers, and thus, guarantee profitability.

Customer loyalty and customer profitability. The research was designed as a descriptive one because it provides factual, accurate and systematic data description and characteristics about the population or phenomenon being studied. The research

population was examined and after careful analysis, the staff of hotel in Dar es salaam were used as a sample size. Primary data was collected from this institution through a well-designed questionnaire. The responses to the questionnaires were analyzed using Microsoft Excel. From the basic statistics of the response, it was found that effective CRM has an impact on customer loyalty. Customers had a good satisfaction in the services provided by Serena Hotel holiday inn, new Africa hotel.

Furthermore, it could be concluded that managing customer relationship effectively builds customer trust in the organization. It is shown that staffs have a good relationship with the customers since respondents view the staffs to be helpful. This is transformed in the customers' willingness to repurchase services and refer the services to friends and relatives. This shows the build-up of trust that respondents have that makes them refer the services to others.

Lastly, the research showed that the customer values benefit to make another purchase. This is clearly evident in the customers' willingness to repurchase products depicting that there is a level of satisfaction that makes them willing to repurchase services at the hotel. Even if the case we studied has been chosen because it is representative of other similar businesses in the area and the main limit of this research is that it is circumscribed to only one hotel.

Plan in the near future to make other qualitative analysis on other hotels in the same area and compare the results in order to obtain a wider view about customer satisfaction in similar hotels. To improve its customer satisfaction standards, the management needs to adopt new and more advanced CRM procedures.

This establishes the fact that clients perceive staffs to be caring and hence, hotel can develop good CRM program that can result in higher repurchase of their services.

4.7 CRM Communication Tools used by Tourist Hotels

To establish the types of CRM communication tools used by tourist hotels in Dar es salaam, the researcher analyzed feedback from respondents to establish which CRM communication tools are used by tourist hotels to communicate with their customers.

The feedback from respondents was documented as shown in the figure below:

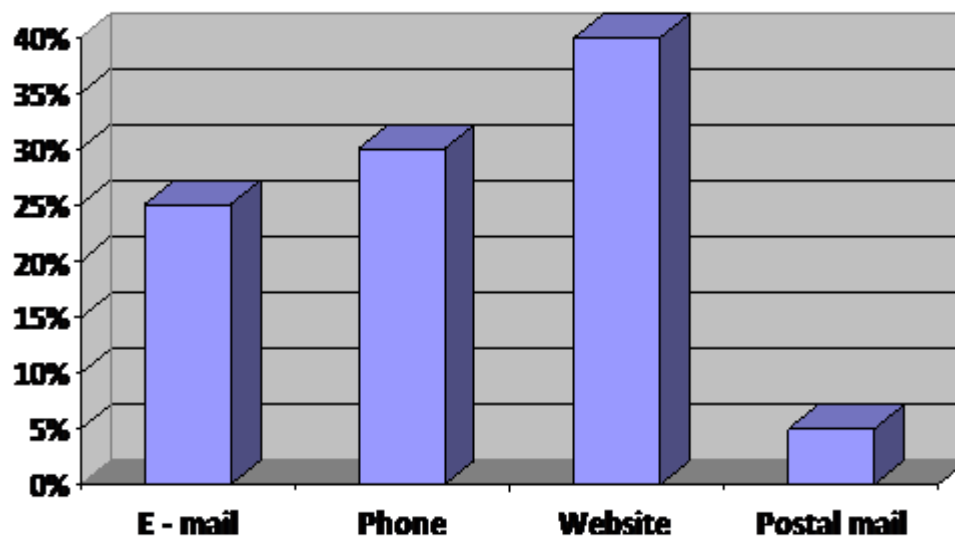


Figure 4. 4: CRM Communication Tools Used By Tourist's Hotel

Source author 2013

The findings of the study show that the main CRM communication tools used by tourist hotels include; web site (40% of respondents), phone (30% of respondents), e mail (25%) and post mail (5%). These findings show that tourist hotels mainly communicate with their customers by web site followed by phones, and to the least extent, by postal mail.

4.8 CRM Strategies used to Promote Tourist Hotels

To establish the marketing strategies used to promote tourist hotels in Dar es salaam, the researcher asked analyzed feedback from respondents on the issue and findings from the analysis were documented as shown in the figure 4.5 below;

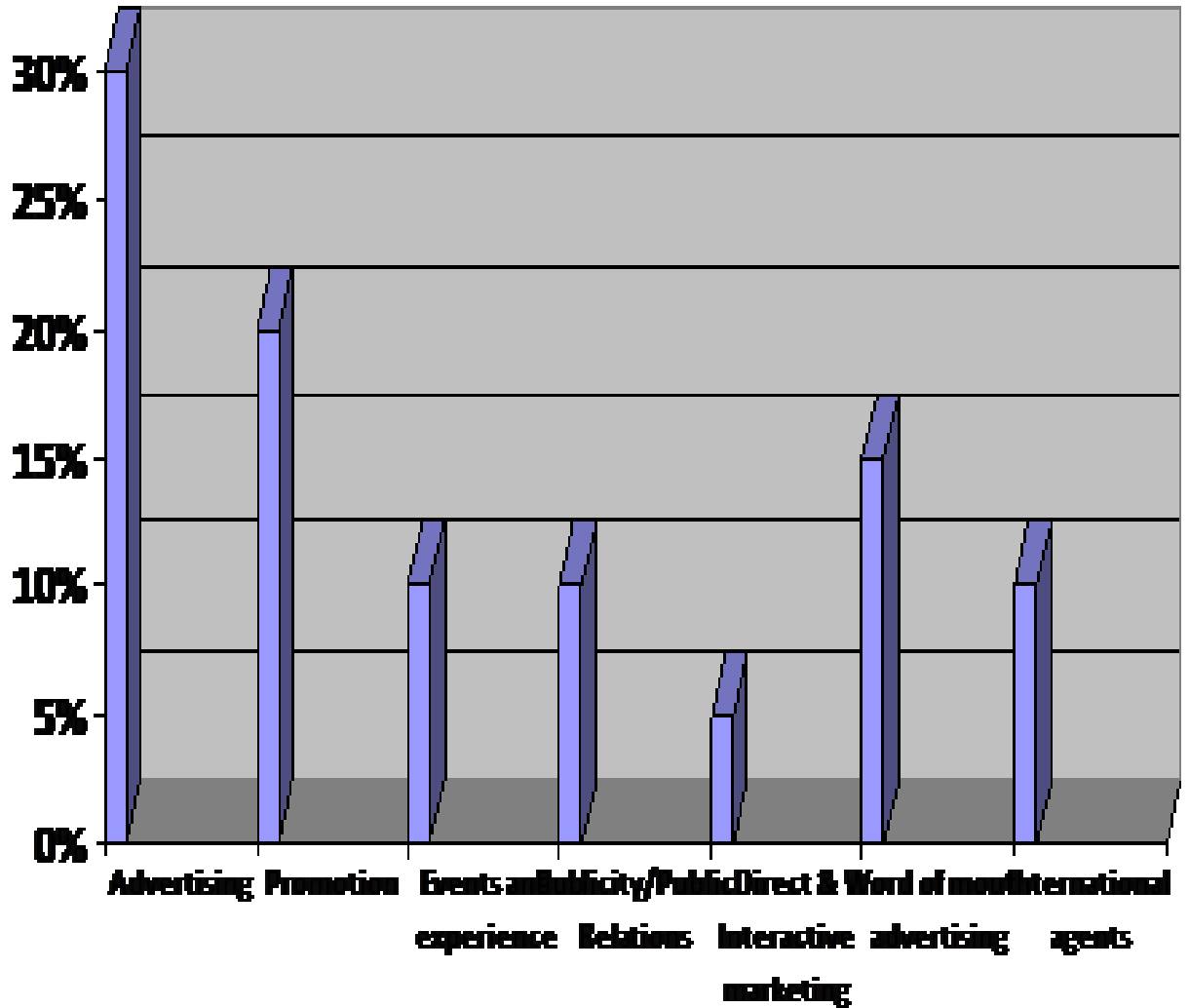


Figure 4. 5: CRM Strategies used by Tourist's Hotel
Source author 2013

The findings above show number of respondents said that CRM strategies used by tourist hotels include; advertising, 30% promotion 20% of respondents mentioned exhibitions and trade fairs, 10% of respondents mentioned direct and interactive marketing, 5% of respondents mentioned international agents, 10% of respondents mentioned publicity and Public Relations and 10% of respondents mentioned word of mouth advertising 15%.

4.9 Effectiveness of Tourist Hotels in Implementing CRM

To establish the effectiveness of tourist hotels in implementing CRM, the researcher asked the respondents to give their opinions on how effectively tourist hotels implement CRM. The feedback from respondents was documented as shown in the table below:

Table 4. 5: Effectiveness of Tourist Hotels in Implementing CRM

Effectiveness	Number of respondents	Percentage
Very Effective	8	20%
Effective	20	50%
Not effective	12	30%
Total	40	100%

Source: author, 2013

The findings reveal that out of 40 respondents, only 20% of respondents said that tourist hotels are “Very Effective” in implementing CRM, while 50% of respondents said that tourist hotels are “Effective” in implementing CRM and 30% of respondents said that tourist hotels are “Not effective” in implementing CRM.

4.10 Level of Effectiveness of CRM

To assess the level of effectiveness of tourist hotels in implementing CRM at various levels, the researcher asked respondents to give their opinions on the level of effectiveness of tourist hotel in implementing CRM in; planning, follow up and follow-up:

Table 4. 6: Effectiveness of Tourist’s Hotel in Planning CRM Objectives

Level of planning	Number of respondents	Percentage
High	18	45%
Moderate	20	50%
Low	10	5%
None	0	0%
Total	40	100%

Source: author, 2013

The findings reveal that out of 40 only 45% respondents said that the effectiveness of tourists hotel in planning CRM objectives then 50% show moderate and 5% show low on effectiveness of tourists in planning CRM objectives.

Table 4. 7: Effectiveness of Tourists Hotel in Following Up on CRM Objectives

Level of following up	Number of respondents	Percentage
High	10	25%
Moderate	16	40%
Low	8	20%
None	6	15%
Total	40	100%

Source: author, 2013

The findings of the study show that the main effectiveness of tourists hotels in getting feedback shows that 20% the feedback are high and 35% shows that are moderate of the respondents 30% finds that feedback are low and 15% are none of the respondents.

Table 4. 8: Effectiveness of Tourist’s Hotel in Getting Feedback on CRM**Objectives**

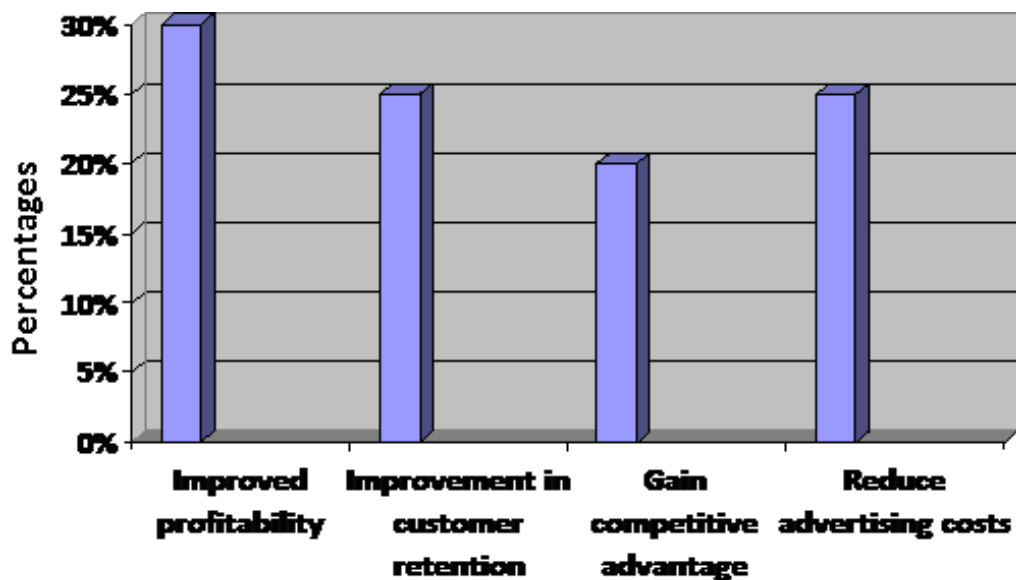
Answers	Number of respondents	Percentage
High	8	20%
Moderate	14	35%
Low	12	30%
None	6	15%
Total	40	100%

Source: author, 2013

From the findings of the study, it is evident that the level of effectiveness of tourist hotels in planning CRM objectives is high, but effectiveness of tourist hotels in following up on CRM objectives and getting feedback on implementation of CRM objectives is low.

4.11 Benefits of Implementing CRM by Tourist Hotels

To establish whether there are any benefits gained by tourist hotels in implementing CRM, the researcher asked benefits gained by tourist hotels due to implementation of CRM and the feedback from respondents was documented as shown in the figure below:

**Figure 4. 6: Benefits Gained in Implementing CRM by Tourist’s Hotel**

Source: author, 2013

Respondents suggested that the benefits gained in implementing CRM, include, improved profitability (30% of respondents), improvement in customer retention (25% of respondents), gaining competitive advantage (20% of respondents) and reducing advertising costs (25 % of respondents). These findings are congruent with previous findings on the objectives of CRM in tourist hotels, thus showing that tourist hotels are able to attain their objective sin implementing CRM.

4.12 Challenges to Implementation of CRM

The researcher asked respondents to mention the challenges to implementation of CRM by tourist hotels. Feedback from was documented as shown in the table and figure below;

Table 4. 9: Challenges on Implementing CRM

	No. of respondents	Percentage
Lack of adequately trained staff members	10	25%
Lack of awareness on CRM	12	30%
Lack of adequate funds for implementing CRM	10	25%
Lack of leadership from the management	8	20%
Total	40	100%

Source: author, 2013

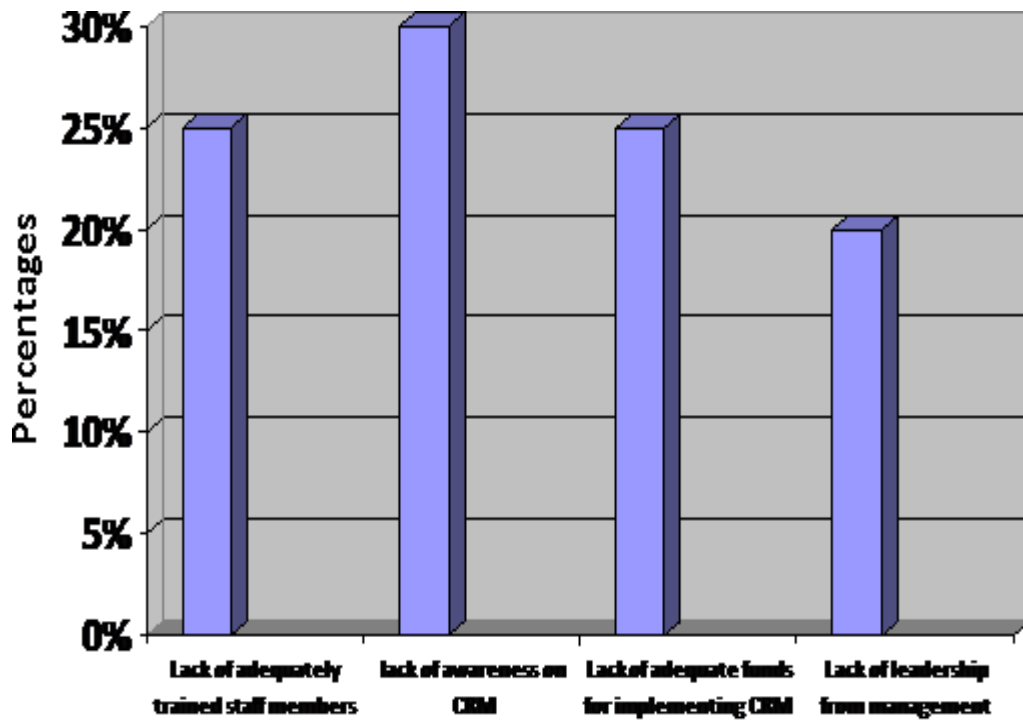


Figure 4. 7: Challenges on Implementing CRM

Source: author, 2013

According to the findings, the barriers to implementation of CRM in tourist hotels include; lack of training on CRM among members of staff, lack of awareness on CRM, lack of adequate funds to prepare for CRM and lack of strong leadership from the management.

4.13 International Tourist Arrivals, Quality Services and Customer

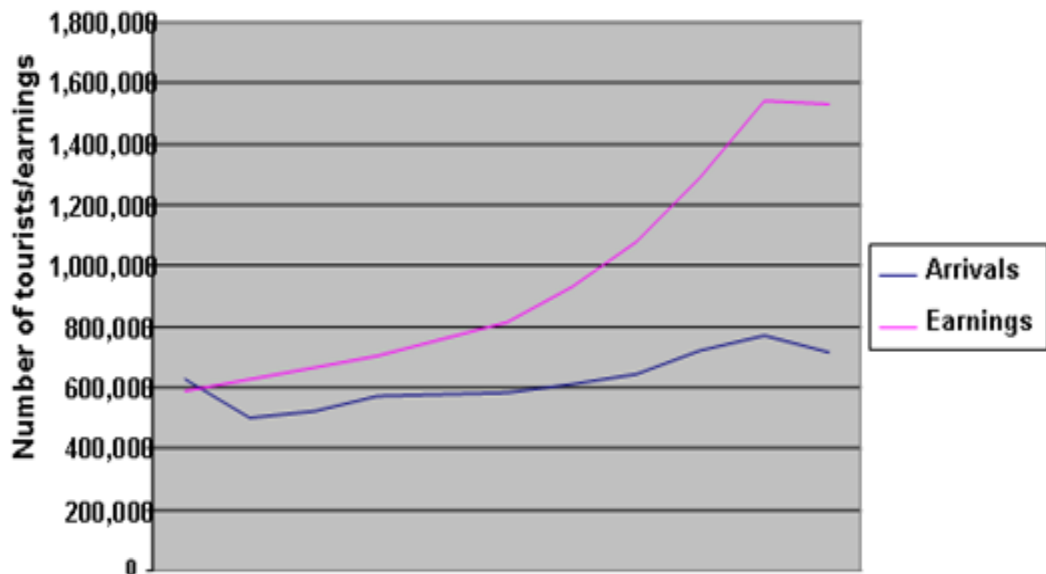
Satisfaction

To find out the number of tourists arriving in Tanzania and the amount that Tanzania earned from those tourists, the researcher analyzed data from the Ministry of Tourism and Natural Resources and the findings from the analysis were documented as shown in the table and figure below;

Table 4. 10: International Tourists Arrivals to Tanzania

Year	Number of Visitors Arrivals	Annual change (%)	Receipt (US \$ Mill)	Receipt (TZS Mill)
1999	627,325	30.06	733.28	586,624
2000	501,669	-20.03	739.06	628,201
2001	525,000	4.65	725.00	665,115
2002	575,000	9.52	730.00	705,618
2003	576,000	0.17	731.00	759,070.40
2004	582,807	1.18	746.02	812,676.89
2005	612,754	4.8	823.05	929,058.84
2006	644,124	5.12	950.00	1,079,137
2007	719,031	11.62	1,198.76	1,290,542.25
2008	770,376	7.14	1,288.69	1,543,193.10
2009	714,367	-7.27	1,159.82	1,531,327.10

Source: Tourism Bulletin 2009 Tourism Division (MNRT)

**Figure 4. 8: International Tourists Arrivals to Tanzania**

Source: Tourism Bulletin 2009 Tourism Division (MNRT)

The findings show that tourist arrivals in Tanzania have been increasing and this can be attributed to among other things, the CRM strategies used by tourist hotels. Thus, it can be said that CRM strategies used by tourist hotels are somehow effective in helping tourist hotels to attract and retain customers.

Based on review of the evolving literature on CRM, it is argued that CRM is an integral part of a hotel's strategy. A hotel decisions regarding the development of organizational capabilities, the management of value creation and its sources, and the allocation of resources across investment opportunities are crucial elements in the array of strategic choices of the hotel. CRM principles provide a strategic and tactical focus for identifying and realizing sources of value for the customer and the firm. This discussion described how CRM strategies can guide five key organizational processes: making strategic choices that foster organizational learning, creating value for customers and the firm, managing sources of value, investing resources across functions, organizational units, and channels, and globally optimizing product and customer portfolios. For each organizational process, to identified some of the challenges facing marketing scientists and practitioners.

Spite of its elusive nature, service quality exists and is no way a relative and subjective impression of the customer. It is an objective reality that the management can pursue proven by the fact that customers, collectively, can confidently claim that this or that establishment provides good or bad service. To say that service quality is "satisfying the customer" is an oversimplification and is a useless guide to management. Every service establishment would like to think that it is satisfying the customer, when the customer might feel otherwise. A more focused description of quality and customer service in the service industry is necessary.

Let us take the hotel business as an example. To provide genuine service quality, hotels should duplicate, if not exceed, the convenience, company, and security the

home provides to the customer to whom the hotel is often his only refuge and protector in an alien environment. During overseas travel, whether for business or pleasure, the hotel is where one stays the longest time.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Modern times, in the economic sectors, have caused the existence of the need to know more about current and potential clients. The more efficient service that organizations provide to their customers will result in a step further in retaining those customers. The greater the knowledge about customers, the better response to their needs as well as predicting their future needs. Tourist's hotel sectors need implementation of customer relationship management in their daily applications. CRM for the various hotels should include a wide range of software products that help hotel managements to maintain effective relationships with their customers. CRM enables hotels to obtain essential information about customers and use it as efficiently as possible.

5.2 Summary of the main Findings

During the study, the researcher found out that 45% of respondents had Diplomas, 10% hold degrees, 5% hold Masters Degree and 40% who hold certificates. 40% of respondents have work experience of 1-5 years, 25% of respondents have work experience of 6-10 years. These findings show that respondents are enough qualified and have enough experience to enable them to perform their duties effectively.

The findings show majority of respondents 80% are either not aware or partially aware of CRM. The researcher found out that the rest of respondents were aware of CRM but lacked deep understanding of the complexities and nuances of CRM. These findings are congruent with findings that 80% of respondents had not received

training on CRM. Thus, it can be argued that in order for implementation of CRM to be effective, members of staff must be aware of CRM.

The findings show main objectives of CRM in tourist hotels are; retaining customers (40% of respondents), sustaining competition (25% of respondents), increase profits (120%) and reduce costs (15% of respondents). The main CRM communication tools used by tourist hotels include; phone (30% of respondents), e-mail (25% of respondents), website (40%) and postal mail (5% of respondents). CRM strategies used by tourist hotels include; advertising (30% of respondents) exhibitions and trade fairs (10% of respondents), direct and interactive marketing (5% of respondents), international agents (10% of respondents), publicity and Public Relations (10% of respondents), mentioned word of mouth advertising.

The findings reveal that majority of tourist hotels are effective in implementing CRM. The benefits of CRM include; improved profitability, improvement in customer retention, gaining competitive advantage and reducing advertising costs. Barriers to implementation of CRM in tourist hotels include; lack of training on CRM among members of staff, lack of awareness on CRM, lack of adequate funds and lack of leadership.

5.3 Conclusion

Achieving the full potential of CRM is the major objective of each tourist hotel in Dar es salaam because it helps the hotels to improve profitability, reduce advertising costs, gain competitive advantage and retain more customers. However, tourist hotels face several barriers in implementing CRM such as; lack of training on CRM among

members of staff, lack of awareness on CRM, lack of adequate funds and lack of leadership.

With rapid development of new technologies, framework for technological applications of CRM are developed through the development of databases that allow storage of data about individual users, and software that enable the analysis and optimal use of these data. It can be concluded that the hospitality and tourism sector, unlike other has a positive attitude regarding the implementation of CRM in the business. Also, special care is taken to the link between CRM and new product development where the hotel company is aware of and recognizes the importance of CRM to create new products and services.

Human resources are the most important factor in the implementation of CRM because they are in direct contact with tourists, and may disclose all of their desires, needs and expectations. With disposal of the necessary information, the company can analyze the thinking and behavior of tourists and it can assess the level of satisfaction.

Implementation of CRM strategies requires large financial expenditures, and before deployment, and before selecting the solution it is very important to make a business plan for the implementation of CRM strategies. In order to implement CRM strategies special teams are formed which are tasked with monitoring and coordinating all activities related to implementation of CRM strategies.

Implementation Team usually consists of: business sponsors, committee for managing the CRM project, the project owner, and project manager of

implementation, technical manager of implementation, integration expert, and head of business department, specialists or managers of information technology, key users, consultants and software suppliers.

Implementation of CRM is a complex task for the company, even for a company that has the necessary knowledge, skills, experience and resources already implemented system which is constantly upgraded. Causes of failure in implementation of CRM are different, but mostly they are caused by poor quality of organizational changes, the wrong policies of the company, the incomprehension of the CRM system, poor planning, etc. CRM gives the expected results only if it is fully integrated strategically and operationally in the business and information system catering company.

5.4 Recommendations

First and foremost, to enhance service employees to conduct customer-oriented behaviors, organizations have to develop an appropriate working environment for service in work, for instance, providing staff with the modern tools, and technology, customer-satisfaction tracking and complaints management systems, inspirational leadership, and appropriate rewards systems. As a result of the previous supportive working conditions, organizations can ensure the required customer oriented behaviors of their employees.

It is essential to bring about a change in the business culture of the hotel industry in Dar es Salaam. Tourist hotels should allocate more funds for training their staff members on the benefits of CRM and start using CRM as part of their marketing

strategies. Also, tourist hotels should invest in CRM software that will enable them to capture details of their customers and use that information to make sure that the customers' needs and expectations are met as a customer retention strategy. The new customer focus frequently requires a change in existing business procedures.

Identifying consumers who are valuable to the hotel has to prioritize and needs to serve them with new and different services which are a part of CRM strategy. With this services segmentation hotels have to center their services on consumer series and also should do one to one and one-to-many selling, traverse selling, follow-up sale which could be done effortlessly.

Familiarity with guest will help easily in providing with the services they are looking for. Hotels must expect consumer needs and have to figure those needs properly. Knowing customer first preferences like news paper they read, food, beverages preferred by them, room temperature preferred by them etc., and providing special services based on these preferences. Consumer satisfaction and trustworthiness may rise with identification of guest by face and name. Customer complaints in order to recognize customer problems CRM strategies must follow many methods. Consumer complaints are to be considered as a chance for getting closer to them.

Employee Training replacement means change, of which majority of people are scared which is one of the most important point in CRM implementations. And this should be done in the early stages of the project by educating employees through trainings, communication, participation and contribution.

Giving Membership to regular consumer's hotels can provide memberships, which give them opportunity to avail discounts and special services. Such special services will make consumers feel that they are given extraordinary attention which a new consumer would hardly get Reward Strategy Regular consumer programs for retaining the hotel's best consumers regular buyer programs are included from earlier stages. Valid points which can be changed into up gradations in class, exchange of products and services are awarded for regular customers. Regular consumer program will raise organization's share of business. Reliability Program to retrieve data about consumers demand and behavior, loyalty program is the best opportunity.

After analyzing the hotels in the research, research found that the company can build strong relationship with their consumers with the help of CRM. From this research, it was found that for the survival of company, it's very important to maintain continuous relationship between the company and consumer since the suppliers of the complex product which will have fewer customers and also there is a lot of competition in the industry.

Small-company forced to maintain continuous relationship with their customers, as it contains less number of customers and to face the competition in the industry. The relationships with the consumer can be maintained by delivering the products on-time, by maintaining the quality of the product and should never promise about something that cannot be fulfilled.

Uses one core selling team per consumer to further maintain their relationships with the customer. Company uses team which includes different departments with

different skills which can maximize the capability to serve and can satisfy the customer in a better way since the products are complex. For each customer the company allots a team which can built a better relationship with the customers. This process leads to repetition of business between customer and company. If the Company does not maintain any programs for customer relationship the company has to directly handle the relationship by personally contacting the customer and also through internet systems.

CRM helps the companies in improving the profitability of their interactions with the customers simultaneously the interactions that are made with the customers will appear like friendlier manner. In order to succeed with CRM, the companies need to match with the products and campaigns for managing the customer life cycle. An effective CRM solution ensures the marketing and sales teams of the organization providing customer information to the teams so that they can easily grow the value of the customer base. The results prove that the competition in industry is more but customers to the company are less.

Applying programs is not the solution for all industries. Every company should handle the relationships with the customer directly by contacting customers and also through interaction with the suppliers when the company has fewer customers. Core selling teams plays a vital role in satisfying the customers. Since, core selling team gathers information directly from the customer and maintains relationship with the customers. Whenever the company has fewer customers in severe competition, they should maintain continuous relationship with their customers.

“The ability of companies to create and maintain mutually valuable relationships can Create an important, sustainable competitive advantage”. In the case of Corporate CRM, a cross-category strategy demands synergy between all brands and functions within the company, is exactly the ability a company can leverage to retain existing customers, acquire new customers, and provide a continuous stream of profits over the lifetime of a customer. The success of Corporate CRM lies in the harmonization of cross-functional cooperation.

Concluding from the literature review, the contingent character of Corporate CRM Requires a “higher level of organizational skill than reliance on tactics that manipulate product attributes, price or promotion to create loyal customers. Moreover, CRM activities must contribute to the company or business unit’s performance, e.g. better response rate in media of higher sales result, to eventually deliver tangible numbers on ROI and total profits; otherwise the waste would not only be from investments but also from the cost of deployment and changing of organizational structures. These viewpoints thereon supported by the case study through in-depth interview with IT, Marketing and Sales Managers. The case study analysis proved that the factors summarized from previous studies and researches are actual issues that modern organizations are facing today.

5.5 Implications of the Findings

The findings reported in this study lead to a number of important implications pertaining to organizations interested in the adoption of CRM strategies.

The proposed CRM strategies are intended to describe the sequential phases and supporting conditions of CRM initiatives. Advice could easily be deduced from these

findings. More specifically, the following advice is particularly important. It is important to keep in mind that IT is just a tool and an enabler, but often has also emerged as an obstacle. Hence, managers should strive to gain sufficient advance knowledge to understand the business improvement opportunities that CRM can provide. This involves ensuring that managers consult experts in the field, both within and outside the hotels. Having knowledgeable managers would mean that decisions made would be better, which in turn will ensure that CRM strategies would have a targeted strategic purpose. Making an advance critical assessment of the hotel industry is vital for managers in order for them to understand where they stand in terms of customer service, customer satisfaction, and their contact system's efficiency before any decision is made to adopt CRM. Customer relationships can be managed in ways that may not necessarily require huge investments in technology. The recruitment of professional staff will often be more effective than complicated technology applications in services providing, large or small, wanting to adopt a branded CRM software project as a major step forward, and their managers should be willing and prepared to make heavy investments in such a project which may deliver a slow return on investment.

Furthermore, managers should be prepared to accept that CRM projects achieve best results when implemented gradually, in small steps. Most importantly, managers should ask the following questions in advance: Is CRM the right solution for the hotel industry. Does the hotel really need branded CRM software to manage its customers? The benefits to be derived from CRM system implementation may vary, from one organization to another. However, there always are some common benefits that all organizations can receive from the system. It is important that these benefits

should outweigh the costs of CRM adoption. These systems can and do save money, unnecessary paperwork and dispensable hours of work, but only in the long run.

Top management should encourage their line managers and end users to exchange information on their CRM implementation with their counterparts in other parts of the hotel on a regular basis. CRM performance for small hotel is not a difficult task. They have simply to maintain close relationships with a small number of customers and can continue to improve the ways in which to impress them, sell to them, market to them and service them over a long time. This is most likely to occur with small family businesses CRM is an on-going learning process; every contact with the customer providing the organization additional information about him/her. Hence, organizations should benefit from this valuable source of information for making continuous improvements. Loyalty programs to target their specific business objectives.

For CRM to succeed in Dar es salaam hotel, managers should carefully consider in advance the impact of cultural trends in hotel environment. Furthermore, it is important to consider the language barrier when implementing a CRM tool or system. CRM application is not exclusively limited to the marketing department. CRM belongs to management, marketing, IT and management information systems as well. CRM concepts must be diffused throughout the organization if they desire to reach the level of becoming customer-centric.

Quality is one of the important litmus tests which customers use to differentiate between the services offered by different organizations. Therefore, making on-going

improvements to the quality of service and/or product is vital for the success of all CRM initiatives. Installing CRM before creating a customer-focused organization would be a big mistake. If an organization wants to develop better relationships with its more profitable customers, it needs to restore the key business processes that relate to customers, starting from account enquiries right down to after-sales services. Customer relationship management requires structures which support customers as well as personnel who are directly responsible for satisfying customer needs, like front-line staff. Providing intensive training successfully to front-line staff is important for leaving the first good impression of the organization on its customers.

People usually tend to make their decision on dealing or not dealing with a certain business based on their first experience and the resulting impression made. It is important to recognize that relationships with customers vary significantly. Every customer has a relationship with the organization, but the nature and definition of such relationships vary according to the needs and requirements of the customer.

The critical challenge for organizations is in recognizing that they must act in accordance with the wishes of their customers while trying to achieve their own strategic objectives. It is important to give authority to the CRM operating team members to overcome any difficulties and obstacles that may crop up. In order to obtain continuous improvements, organizations should offer reward schemes to their staff. Staff should be given the chance to participate and propose ideas for making improvements in a systematic and structured manner.

5.6 Limitations of the Study

Even though the research has shown interesting result in terms of CRM initiatives, their critical success factors, difficulties and obstacles, some limitations did emerge. The most significant limitation arose from the differing sizes of the cases studied. This was due to the difficulties the researcher faced, while trying to gain access to the organizations chosen, in different hotel.

Like all academic research, this research was dependent upon the qualitative data given to the researcher from the interviewees, and hence, the analysis and results were dependent on the data obtained and the secondary research. Furthermore, the data collected was limited to the time frame given to complete this research.

Another limitation that needs to be borne in mind when assessing the current research is that the model did not include any measurement matrices or measurement tools. This was the researcher's decision after conducted the first pilot study and the people interviewed made it clear that they had no intention to supply information about the measurement tools they have for evaluating their CRM strategies. They considered this kind of information to be confidential and hence not to be shared.

5.7 Areas for Future Research

This study is exploratory in nature. The reason for this is the relative novelty of the object of the study CRM strategies and the relative lack of strategic theory describing such initiatives. Hence, there still are plenty of untapped research opportunities. With growing interest and significant investments being made in CRM strategies, several empirical opportunities will emerge. The present model is in its present form a

conceptual model. This is especially relevant when it comes to the different supporting conditions mentioned in the model. Future research could statistically identify the level of importance and influence of each supporting condition on the overall CRM strategies.

Another important future research study which could be conducted could be to explore in greater depth the cultural barriers in Dar es Salaam hotel that are impeding and or slowing down the speed of CRM maturity in this developing country.

Spanning customer processes. However, for the successful customer relationship management the hotel must have concepts clearly defined and support of employees and management guaranteed. Furthermore successful CRM is also an issue of communication: internal and external. Therefore further research is necessary for non-technical implementation of the CRM philosophy in the target- groups' minds. The study will heavily focus on these issues in its future research.

A discussion on prior research within this subject area is provided in Chapter one in order to substantiate the reason for this study various recommendations for future research are provided. Future research regarding this topic can be extended to include other geographical areas and additional, smaller hotels in general can also apply CRM. And level of service quality, in other service providers, for example in lodges, healthcares, insurance companies, in banking, schools, and consulting companies.

In this study can have an influence on the CRM and service quality of hotels the Selected independent variables two-way communication, attitude, knowledge, ability and efficiency of hotels services explained intervening variable CRM change in the level of CRM in a hotels is caused by knowledge, ability and attitude. Change in the level of service quality in a bank is caused by CRM. Therefore, the CRM and service quality of banks need further empirical testing. The CRM strategy needs to integrate both vertically and horizontally. Vertical integration is between the business vision and strategy and its execution and horizontal strategy is integration across the full range of channel and media. The aim is that customer at each and every touch point should experience the essence of the brand promise, brand value, and brand character attitudes and value to the brand.

Furthermore CRM is a discipline that requires as has been said before a customer facing attitudes or rather an attitudes that stands in the shoes of the customer and ask what will be most effective in developing their brands loyalty and sales. By definition this requires a marketing approach that is not media biased. Marketers who begin by making the assumption that the best it is the website, direct mail TV, or any other are media biased. This will block their full creative approach and reduce the effectiveness of their marketing. The advantages of CRM is that a customer knowledge and accessibility increases it becomes possible to apply neutral planning.

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APPENDIX**QUESTIONNAIRE TO CRM STAFF OF TOURIST HOTELS**

I have prepared this questionnaire for purpose of collecting data concerning on my research study titled: “Assessment of Customer Relationship Management Strategies used by Tourist Hotels in Dar es Salaam”. Your contribution is highly valued to make the study successful.

QUESTIONS

1. Gender
 - (a) Male
 - (b) Female
2. What is the highest level of education you have attained?
 - (a) University degree
 - (b) High school or diploma
 - (c) Secondary education
 - (d) Primary education
3. For how long have you been working in the tourism industry?
 - a) 1-5 years
 - b) 6-10 years
 - c) 11-15 years
 - d) More than 15 years
4. What is your level of awareness on CRM?
 - a) Strongly aware
 - b) Aware

- c) Partially aware
- d) Not aware

5. Have you received any training on CRM?

- a) a). Yes
- b) b). No

6. What are the objectives of CRM strategies for your hotel?

7. What are CRM communication tools used by your hotel?

- a) Phone
- b) E-mail
- c) Website
- d) Postal mail

8. Which of the following CRM strategies do you use to promote your hotel?

- (a) Advertising
- (b) Promotion'
- (c) Events and experience
- (d) Publicity/Public Relations
- (e) Direct & Interactive marketing
- (f) Word of mouth advertising
- (g) International agents

9. What are the benefits gained by tourist hotels in implementing CRM?

10. What are the challenges in implementation of CRM by tourist hotels?

11. In your opinion, what should be done to help tourist hotels to overcome barriers?
to implementation of CRM?
