



How does CRM (Customer relationship management) effect the size of hotel and contemporary hotel mode

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Abstract

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<p>ICT solutions are becoming increasingly popular during this new modern business competition. One suitable software solution may change the whole market share or even reshape the business model and process.</p> <p>CRM is one of the significant ICT solutions that stands for customer relationship management to manage customer data. It supports sales management, delivers actionable insights, integrates with social media and facilitates team communication. Cloud-based CRM systems offer complete mobility and access to an ecosystem of bespoke apps.</p> <p>Almost 82% of businesses (Rebekah Carter, 2022) have already implemented a CRM system in the last decade. Despite the apparent advantages of CRM, some hotel businesses, such as apartment hotels, youth hotels, conference hotels, and small size hostels, have yet to implement ICT solutions. This thesis aims to investigate the impact of CRM on different sizes of hotels in the current business marketing landscape by considering operational structure, employee structure, IT setup, CRM benefits and the history of the hotel industry, among other factors. The study seeks to subdivide the topic into several areas to understand the effect of CRM practices on CRM outcomes, such as customer retention, customer satisfaction, customer loyalty, working efficiency, marketing, customer service, customer segmentation, customer value.</p>	
Keywords Hotel, Customer relationship management, hotel business model, Customer loyalty, CRM benefits, customer retention, customer satisfaction, employee structure, technology setup, operational structure.	

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1 Introduction

Information and communication technologies have a significant impact on users' perceptions, attitudes, behaviors, and consumption patterns. The increased marketing price, product transparency and the new business hotel operation model enhance tourists' power, who are becoming more service sensitive, less brand loyal and more sophisticated (Does "IT" always matter, 2003). The hotel industry is currently grappling with globalization, intense competition, higher customer turnover, extensive services offered, mounting customer acquisition costs, and an ever-increasing need to meet customer expectations, all of which contribute to a hotel's capacity to satisfy customers effectively, thereby affecting its performance and competitiveness.

In the field of the hotel industry, the quality of the product or service offered is not the only factor that determines the consumer's impression of a brand or business. Rather, experiences and relationships play a significant role in shaping the customer's perception of the business. This understanding has led to an increased demand for CRM software, which has become an essential tool for hoteliers. The term "customer relationship management" was coined in 1995, marking the beginning of the development of the first CRM software programs. By 1997 (Concilio Labs, 2019), CRM had already moved away from customer solutions to enterprise resource planning (marketing, payment functions, employee productivity). In the past decade, over 80% of hotels have implemented CRM solutions; however, some have used the term incorrectly to describe systems that are not CRM or only a small part of a CRM system. Hoteliers often follow marketing trends and implement the so-called CRM system used by others without considering the costs and calculating the break-even point based on the hotel size, customer capacity, profit, and cost, leading to an unbalanced income. The research will focus on hotel perspective and following research questions are formed as result :

- Does the size of the hotel affect the CRM implementation?
- Can the success factors of CRM implementation be influenced by different hotel business models?
- What are the benefits of implementing CRM in different size of hotels?

The utilization of customer relationship management (CRM) in the hotel industry can result in a multitude of benefits that are vital for enhancing customer retention and ensuring sustainable competitive advantage. By prioritizing customer satisfaction and loyalty, a hotel can benefit from a loyal customer base that will continue to use their services over time. Through the implementation of CRM applications, even small adjustments to a hotel's business processes can yield significant benefits, both on a daily basis and in terms of annual revenue. The service-driven nature of the

hotel industry necessitates a focus on building strong client connections, with services such as breakfast, dinner, and room service being integral components of these efforts.

Contemporary hotel models, such as conference hotels, apartment hotels, express inns, and youth hostels, are common in the hospitality industry. The effectiveness of a Customer Relationship Management (CRM) system in these hotels depends on various factors such as their business size, annual revenue, customer and employee feedback, and room usage rate. The impact of CRM system license expenses on a hotel's financial situation is a significant issue that requires clarification. Additionally, it is crucial to explore how CRM can be applied in hotels of different sizes in the contemporary hotel mode.

1.1 Glossary

Inverted pyramid organization : There is a way of approaching a company's organizational chart – a way of thinking about one's place in the hierarchy – in which the traditional leader, the CEO for example, is on the bottom, not the top.

CRM : Customer relationship management

PMS Opera : Property management system

2 Theoretical Background

As a central tool for managing customer interactions, CRM systems offer a comprehensive view of customers' profiles and activities. This is facilitated by a customizable dashboard, which provides information on their consumption history, order status, outstanding customer service issues, and social media activities, including preferences and feedback on the company and its competitors. While traditionally employed for sales and marketing purposes, CRM solutions also serve as a valuable asset to customer service teams by enabling the management of customer inquiries across multiple channels. This helps to prevent tracking loss and provides sales, service, and marketing teams with a unified customer view. CRM brings quite many benefits to different departments in an organization, as a whole, some of them gain profits from implementing it more than others; CRM brings benefits to the organizations that generate a lot of information about customers (Bose, 2000; Kotler, 2002; Nguyen et al., 2007). In particular, the hotel industry stands to gain significantly from effective CRM implementation due to the wealth of customer data available. This information can be transformed into actionable insights about customers, enabling hotels to make more informed decisions on risk control, project management, and room usage rates, among other areas. However, as with any business sector, the hotel industry's ability to

realize these benefits depends on various factors, including the size of the hotel and the barriers that may impede effective implementation. Identifying and addressing these issues is crucial to maximizing the impact of CRM on hotel operations.

2.1 Customer Relationship Management

Customer relationship management (CRM) is a term coined in 1997 and popularized by Siebel, Gartner, and IBM. From 1997 to 2000, leading CRM products were enriched with shipping and marketing capabilities. In 1999, Siebel introduced the first mobile CRM app, Siebel Sales Handheld. CRM is a process that enables organizations to manage customer information and analyze existing data, allowing them to manage interactions with existing customers through different approaches. An important aspect of the CRM approach is that it integrates data from multiple channels, including Twitter, Facebook, telephone, company websites, and email, thereby providing businesses with a comprehensive view of their customers. By facilitating effective customer cooperation, the CRM approach enables businesses to grasp more information about their target audiences and cater to their needs.

The concept of CRM can be defined in different ways. It also means different things to different people. Depending on the working environment it has been used in (Baran et al., 2008; Dimitriadis and Steven, 2008; Piskar and Faganel, 2009). Therefore, there is no single correct definition of CRM (Abdullatif et al., 2010; Hamid, 2009; Nagi, 2005). Sales agents consider CRM to be a mailing system that allows organizations to reach their customers quickly, easily, and cost-effectively, complete customer profiles, resolve customer issues, and share information. Hoteliers view CRM as a customer service system that enables them to interact with customers, engage with existing customers, and capture potential customers' feedback and requests. Marketers, on the other hand, view CRM as an integrated marketing channel system that includes rolling out new social media, managing relationships throughout the customer lifecycle, and capturing customer data. Kalakota and Robinson (2000) defined CRM as an integrated sales, marketing and service strategy that prevents "lone showmanship" and relies on coordinated actions, while Couldwell (1998) defined CRM as a combination of business processes and technology.

2.1.1 CRM type structure

There are three types of CRM: operational CRM, analytical CRM, and collaborative CRM. Operational CRM manages different business processes, including sales, service, and marketing. The primary purpose of this type of CRM is to help organizations capture new leads, convert

existing leads to opportunities, contacts, and accounts, create new accounts, and provide service throughout the customer lifecycle.

Operational CRM enables organizations to automate their internal sales processes, with the primary goal of acquiring new customers and dealing with existing ones. Sales process automation helps businesses meet more customer needs, increase sales more efficiently and effectively, while service automation enables organizations to build strong connections with customers, optimize service quality, and create relationships with existing customers. Marketing automation aims to determine the best way to offer products and approach potential customers, such as through email, call, face-to-face meetings, social media, and more.

Analytical CRM focuses on top management, integrating sales, service, support, and marketing to determine the best way to serve customers. It initializes reports, dashboards, and analyzes business key performance indicators, cost and profit trends, employee working hours, and closed opportunities to help top management make the right decisions and help marketing executives understand campaign management. Analytical CRM also involves gathering customer information from various channels to analyze in a structured way.

Collaborative CRM encourages each department to collaborate as a single entity to achieve a common goal in project work. In many companies, each business unit works as an independent group and rarely shares customer data with other teams, which can cause business losses even if projects fail. Sharing customer information across teams can improve service quality, gain customer loyalty, and acquire new customers to increase sales.

With the development of technology, the format of data storage has undergone significant changes, and cloud databases are becoming more popular. CRM systems upload their user data to a cloud database, and its cloud computing is also known as SaaS (Software as a Service) or on-demand CRM. Company data is stored in a public or hybrid cloud environment, which users can access anytime, anywhere. Sometimes third-party service providers maintain and install system features. SaaS is a subscription-based software service provider that enables companies to renew or discontinue software use at any time, thereby reducing initial fees and investments. Popular cloud-based CRM vendors include Salesforce, HubSpot, and Zendesk. Although the premises system still exists, which gives the company the right to administer, control, secure, and maintain the database, cloud-based CRM provides a new perspective where companies can purchase licenses at once instead of buying yearly or monthly subscriptions.

Customer relationship management (CRM) systems have had a significant impact on modern business practices, shifting the emphasis from product-centered to customer-centered approaches. However, according to Ku (2010) emphasizes that CRM success does not only require

technological quality or systems, but it also requires an effective service concept as well as suitable operation procedures. Discerning the essential components of CRM that drive profitable outcomes is a challenging task, given that numerous factors, including financial situation, business process type, business structure, employee structure and size, must be considered.

2.2 Hotel industry

The history of the hotel business is intricately linked to the development of civilization. Although the Romans did not have what we would consider hotels, they built mansions to provide accommodation for government officials traveling on official business. The Middle Ages saw monasteries and abbeys offer refuge to travelers on a regular basis, while in the Middle East, caravanserais provided rest stops for caravans traveling the routes. With the development of society, the evolution of hotels never stops and keeps going to move forward to the next generation (Jacque Levy-Brown). From the simple concept of a resting place for travelers to multi-service luxury accommodation, the industry has come a long way in several centuries.

The industrial revolution, which began in the 1760s, facilitated the construction of hotels across Europe, England, and America. In 1792, the first publicly held hotel, called the City Hotel, opened in New York City, and in 1829, the first hotel in the modern sense of the word, the Tremont House, opened in Boston. From there, the hotel industry prospered with the Ritz and Savoy in London, the Beau Rivage Palace in Lausanne, le Négresco in Nice, the Plaza in New York, the Métropole in Brussels, the Plaza-Athenée and l'Hôtel de Crillon in Paris, and the Taj Mahal in Mumbai. The prosperous 1920s saw a boom in the hotel industry, with numerous hotels established during that decade. Hoteliers not only satisfied their current situation and opened more hotels in city centers, but also expanded their vision and strategy to suburbs, forests, and mountains. In 1907, the first theme resort was founded in France (French lick resort). They opened a new concept of the hotel industry for every hotelier (Jacque Levy-Brown).

In recent years, the hotel industry has seen the emergence of a variety of new hotel types.

- Apartment hotel focuses on long-term and permanent accommodation for guests, offering agreements for stays of at least one month up to a year. These hotels feature unique room layouts, including living rooms, kitchens, balconies, bedrooms, and washing machines.
- Airport hotel targets business travelers, airline passengers with layovers or canceled flights, and airline crews or staff. These hotels are typically located near the airport and provide flight-related services such as transportation to and from the airport, and departure and arrival assistance.

- Conference hotel caters to guests attending overnight meetings and conferences. These hotels offer meeting facilities, meeting offices, and seating arrangements. Typically located outside of urban areas, they also feature facilities such as golf courses, swimming pools, tennis courts, and fitness centers.
- Youth hotel caters to young clients or those seeking affordable accommodations. These hotels are typically located in the city center and offer basic services for guests. With a small and compact layout, youth hotels provide an affordable and convenient option for travelers seeking to stay in the heart of the city.

Additionally, there are no universally accepted criteria for defining the size of a hotel as either small or big. Local hotel unions in different regions have established their own criteria for classifying hotels based on factors such as target market differences and service levels. As per industry standards, a hotel with less than 150 rooms is classified as a small size hotel, while a hotel with 151 to 299 rooms is considered a medium size hotel. A big size hotel is defined as having 300 to 600 rooms, while hotels with more than 600 rooms are classified as mega hotels (etravel week, 2019).

2.2.1 CRM and Hotel

Customer Relationship Management (CRM) is a customer-oriented model implemented in various enterprises to optimize profit, customer retention, customer satisfaction, and total revenue. In the hotel industry, which is the first touchpoint to interact with customers and build connections with services, Revinate (revinate.com) was the first vendor to provide a complete CRM system for hotels in 2009. This system merged technology, customer-oriented business processes, and CRM practices into one system and opened a new era for hoteliers to manage daily operations and related issues. CRM thrives for providing satisfaction and delight at each level of customer interaction (Pahuja Verma, 2008). Satisfied customer gets delighted and become loyal customer. CRM will be successful provided it is implemented at all levels of the enterprise, Gartner has named it as true CRM. Gartner (2003) for the first time identified the best four practices that lead to CRM success. These four best practices which include vision, strategy, valued customer experience, organization collaboration. This is based on Gartner's first four building blocks (Ed Thompson, the eight building blocks of CRM) which are best CRM practices and implemented into the hotel industry.

The first building block, vision, is necessary for building a customer-centric enterprise. This includes putting customer needs at the center of the service life cycle, developing leadership from the management level, and clarifying the advantages of CRM features. The second building block, strategy, is important for converting existing customers into assets and capturing new potential customers. Hotels should develop a long-term roadmap, cultivate customer loyalty, and convert customer decisions into actions. The third building block, valued customer experience, is crucial for creating customer perception of the organization based on their interaction experience. Customers should play a key role in every step of the business process, and they should be involved in the CRM process to deliver ongoing value. All channels should be integrated, and communication needs should be managed properly. The fourth building block, organizational collaboration, requires shifting product or service centrism to customer centrism. This can be achieved by properly cooperating with each department, establishing cross-functional teams, and building strong collaboration across the organization. By integrating all communication channels, paths for cross-functional teams can be created.

3 Methodology

This thesis will utilize qualitative research to select four different sizes of hotels as case studies and analyze them from various aspects. The study will consist of four independent variables, such as operational structure, technology setup, employee structure, and CRM benefits, and eight dependent variables, including customer retention, customer satisfaction, customer loyalty (measured using three items from Campbell, 2013, and Dechkriengkraikun et al.), working efficiency, customer value, customer segmentation, and customer service.

Qualitative research was deemed more applicable in this study since the aim is to identify the major factors that affect CRM in hotels of different sizes and operational modes. Qualitative research allows for a more in-depth understanding of these hotels' CRM system operations.

To collect data, a structured questionnaire will be created, including questions on who, what, when, and why. Data will be collected directly from the target hotels via mail, email, telephone survey, and interview. A convenient way to select target hotels is to search for qualified hotels on the official website directory and ask if they are willing to participate in the study, if the questionnaire could be sent by email, if they would like to participate in a face-to-face interview, or if they would join a Zoom meeting online. Based on the research goal and core problem defined, several typical hotels will be chosen as targets. In case of some invitations being denied, four hotels were targeted through this process, three of which replied with questionnaire and interview responses, while one agreed to participate in a face-to-face interview.

4 Case study

4.1 Hotel A

Hotel A is a small establishment that boasts 55 standard rooms and 10 family rooms and possesses a history that spans over five decades. This boutique hotel, located in one of the city's most iconic and functionally inspired buildings, is renowned for its high-quality services, word-of-mouth reputation, and unique design. Each room is individually decorated and themed by a prominent designer, with a private yard and wine bar that creates an immersive and luxurious ambiance. Furthermore, guests can enjoy easy access to a wide array of shops in the surrounding area.

According to the current manager, the hotel prioritizes customer satisfaction and aims to provide a home-like experience to its guests. This customer-oriented approach is evident in the hotel's flexible check-in and check-out times, diverse food offerings, complimentary coffee bar, pastries, and personalized services for specific customers.

4.1.1 Operational Structure

The operational structure of Hotel A is cross-functional, wherein the position of employees is not fixed due to the customer-facing concept. As a result, every employee is expected to participate in the service delivery process. For instance, when breakfast reservations exceed 70%, the night shift front-desk agent assists the restaurant employees by preparing the first round of food, cleaning tables, and delivering cleaned plates. If the restaurant employees are swamped after the first round, the manager intervenes and serves customers. Similarly, when front-desk agents are free, they assist housekeeping in delivering cleaned sheets, pillows, and other basic staff. This flexible management structure positively impacts employee behavior towards service. Passionate employees with an inclination towards customer relationships are motivated to offer better service. The autonomy given to employees enables them to establish closer relationships with customers and quicken response times. Customer interaction, when carried out by familiar employees, creates a relaxed environment akin to meeting old friends. To foster this atmosphere, Hotel A's employees maintain healthy interpersonal relationships, which are further reinforced through a middle-aged notebook wherein previous customers, employees, and even event visitors can leave feedback, comments, or messages. The notebook, which guests can peruse, fosters a sense of familiarity and friendliness, thus enhancing customer experience.

4.1.2 IT setup

Hotel A currently lacks a specialized IT department to manage their CRM system, guest booking system, and customer information database. The responsibility of handling these daily issues lies solely with the managers. In 2010, the hotel implemented a CRM system called Travelclick to manage daily customer reservation issues (Questionnaire, 2021). This system is accessible to managers, higher roles, and front-desk agents in the hotel. The stakeholders who interact with each department aim to optimize the workload of the managers and allow them to focus on daily hotel operations, employee management, and marketing. Travelclick offers a comprehensive automation tool that goes beyond customer relationship management, including guest engagement and loyalty enhancement features. It is designed solely for the hotel industry and includes customer satisfaction collection, reward programs, reservation and booking engines, media, and guest data management. During an interview, the manager indicated that they only implemented this system for reservation and booking engine and price adjustment. They opted not to purchase other functions due to the high licensing and feature costs. After implementing this system, the hotel's annual financial report showed a slight increase in total revenue and a few positive feedback comments from employees and customers. The current customer relationship management system is not suitable for the hotel (Front-office manager, interview, 2021).

To collect customer information, the front-desk agent records basic information from the customer's profile into the computer with their old-fashioned style. After a customer completes their reservation payment, an email is manually sent by the front-desk agent when their customer recently visited the hotel. They barely send emails to customers who do not come for a long period. Categorizing which customers revisit or not can be challenging due to the large number of customer information spreadsheets and documents. The manager (front-office manager, questionnaire, 2021) stated that most of the guests are from the local country, and their age range is between 50 to 65. They barely use emails and only check them occasionally. The hotel relies on reputation by word of mouth as one of their marketing tools to help them attract more customers and promote their hotel brand.

In addition, the hotel uses social media platforms such as Facebook and Instagram to interact with customers and collect their feedback. Supplementary forms such as Booking.com and TripAdvisor are also utilized to provide previews of the hotel and obtain feedback from customers (questionnaire, 2021).

4.1.3 Employee structure

Manager (front-office manager, questionnaire, 2021) has mentioned there is no specific training program for new employees. Because their hotel position structure is flexible, every employee

should have a basic understanding of each type of work, but the front-desk working field is not necessary for every employee. Manager will train new employees directly to get familiar with their work and system, and there are employee meetings every month, to show and train employees what new findings they have.

In addition, customer feedback is one of the important ways to train employees. Manager always check customer feedback every week and gather positive and negative feedback to let employees understand which parts are doing good, which parts still need improvement or optimization. It is a significant way to let employees learn from real experiences to have a customer driven service and gain understanding of customer-centric approach. Once they receive customer complaints or negative feedback, manager always organize weekly meetings immediately and discuss with employees to pay attention to even small shortages. Based on their hotel employee team structure quite small, manager can easily reach every employee and react quickly.

4.1.4 CRM Benefits

As the manager mentioned before (Front-office manager, questionnaire, 2021) their hotel only implemented a CRM system to improve booking & reservation, room available and price adjustment section. To target the best-selling room type, monthly or quarterly room occupancy rate, report and dashboard demonstration, the manager analyzes all reports and customer booking preference through this CRM system. Eventually, they segment their room type into several categories, such as, standard double room, single room, king suite and family apartment. According to CRM system reports, the best-selling room type is always the standard double room. So as to attract more customers to choose other types of rooms to balance the entire room occupancy rate. They adjust the price of other types of rooms and double rooms through CRM system features. Moreover, they made a contract with the third-party platform vendor to publicize their other types of rooms. Once their room preference and occupancy rate changes through CRM system reports, the hotel manager will make decision to give a discount or coupon to potential customers.

In addition, hotel A aims to attract local customers and few cooperative business customers. The manager makes local agreements with several companies for a specific period. Hotels offer these companies' business travelers contract price, benefits and long-term reserved room.

As mentioned before, their targeted customers are local customers and cooperative business customers. To satisfy them, the hotel has collaborated with a local entertainment company. Because of the limited size of the hotel, they cannot develop more services inside of building. ,

they decided to utilize their front garden to extend their services range. Such as, mini bars with DJ performances, football match streams, garden barbecue and so on. According to their kitchen facilities condition, hotel A only can serve breakfast and toast pastry for guests. Manager newly had an agreement with a local restaurant to offer a special meal and 10 % discount for customers who lived in hotel A.

Hotel manager mentioned lots of their customers have special habits and needs, for example the requirement of a soft pillow, smoking and non-smoking room setting, and allergic history. During the booking section, the CRM system always displays messages or comments from customers who already booked a room and left notices to inform the front-desk agent. The hotel A will prepare for these requirements before the customers' arrival. Let the customers get the feeling that the hotel is caring about them. Because the CRM system functions are restricted and customer databases are not implemented, these messages or comments are disposable text saved in the system at the moment. Specific needs and habits cannot be archived into target customer profile or account information. It will cause problems when the same customer visits the hotel again, the hotel cannot get to know their needs in advance if the customer forgot to mention it in the booking section. It is called "A small leak will sink a great ship." There is a small behavior or service that may improve the expression of the hotel brand. Based on the manager's memories, there was a customer who was allergic to beans, so the front-desk agent wrote down and handed it to the chef, and the next day they prepared a special breakfast for this customer. This customer had a plan to stay at hotel A for one night, for some reason he decided to stay there one more night. The new night shift agent renews his booking but does not know he is allergic to beans. Then the next day, the chef made mistakes serving beans for him.

When considering customer satisfaction, hotel A got 4.7 out of 5 from TripAdvisor. Manager mentioned everything they are doing or trying to do is to satisfy their customers. The activities they organized, the relationship they are retaining with customers, and the services they provided are the main concepts of their hotel to bring satisfaction to customers.

4.2 Hotel B

Hotel B is a medium size hotel built in 2019. Brand was established in 2005 as an economy hotel. During the past 15 years, hotel B brand has become the most successful hotel chain in economy hotel type fields. It has expanded to 10 cities which includes over 120 hotels and 10000+ employees.

The hotel is in the center of the city with 85 standards rooms, having several restaurants and

supermarkets. Guests can easily find necessary facilities near the hotel. Around five hundred meters away from the hotel to the train station brings huge amount of tourists or businesspeople every day. The perfect location indicated this hotel can serve a different range of customers, a large number of customers transition and short term stay customer demands. They focus on business travelers, tourists, students, people who are preparing to take early trains, short term visitors and event attendees. Aiming to build an inexpensive price but high-volume revenue business structure and operation model.

Manager (operation manager, interview, 2021) mentioned that their hotel uses standardized room layout, decoration and facilities for each room. They committed to implement the same operation model, same employee distribution, same department structure in every hotel branch to neutralize an inexpensive, affordable, clean, comfortable hotel brand impression to every potential customer. The hotel B is more result oriented in the way that it provides quick accommodation for customers. The actions they do to meet their ideal concepts are quick check-in service, strong housekeeping team, laundry service, breakfast takeaway, train ticket pre-order, shuttle bus transportation support and luggage storage service. They have a small restaurant in hotel only serve breakfast from 7 am to 11 am. For these customers who have early train to take, restaurant prepare takeaway bread and pastry for them. Moreover, for those customers who take the early train on the following day, hotel also offer heavy luggage delivery service to help customers save time to catch the train on time.

4.2.1 Operational Structure

The hotel is in the center of the city. Point of view the organization structure is set up in such a way that the general manager has two department subordinators. The front office manager is in charge of the reception area. The front desk manager gets the feedback via emails from the customers related to hotel general services and accommodation feelings. Eventually the information about the customer is sent to the general manager to take evaluation action related to hotel customer satisfaction. The housekeeping manager oversees each room maintenance and housekeeping stuff. Every housekeeping employee reports the conditions of clean room and dirty room to the housekeeping manager every day. Then the housekeeping manager can measure how many clean rooms they have and report to the front desk to release available rooms for potential clients.

In hotel B, collaboration performed across different departments are their organization core concept. Although job positions and duty descriptions are fixed, each employee only take responsibility for their own specific works during weekdays. But they still have “free man” who have been trained and worked in several departments to give extra hand for emergency situations. They

trained many employees to do this “free man” position, but the training session is an exhausting time program and during daily hotel operations it is hard to find time for specific training. General managers utilize macro-control management to fine-tune the whole process of hotel operation.

Every department manager has a short meeting every morning to handover previous day client needs, reservation status, availability of room and let each other know if something special will happen that day they need to collaborate with. Every employee has a meeting every Friday morning with the general manager to report their own problems or what they have learned from the previous period, which services can be improved better than before. General manager sums up all the reports and information from employees to take measurable action to implement a new strategy of employee management.

4.2.2 IT setup

Hotel B deploys technological systems, consisting of MISC 11 and PMS Opera (manager, questionnaire, August 2021). Opera PMS focuses on room reservation, customer preference and customer information collection. The system connects to their hotel customer database. Every branch in their hotel chain can easily find each customer's profiles, information, preference and prepare relevant services through this system. (Manager, interview, August 2021)

MISC 11 refers to a CRM system that includes bookkeeping, financial analysis, customer feedback, and salary calculation. Bookkeeping, financial analysis and salary calculation is a bundle feature in the system and data do not transfer to the hotel chain database. According to employee shift time arrangement, the system will calculate each employee's salary based on working hours and deliver to the financial analysis and bookkeeping department. Outsourcing financial analysis and daily bookkeeping is always costly and leads to risk of business strategy exposure. MISC 11 makes everything happen in one consistent system with the same customer data based on the user's click. Users can type each employee's shift time, bonus time, reward and insurance into the salary calculation department. The system will automatically display the final amount of salary for this month with a tabular chart or bar chart. Salary history access rights are also assigned to direct managers or who have higher roles. Moreover, these final data can be referenced by financial analysis to measure this hotel annual financial status and report to the management group. Bookkeeping components record daily information by front-desk based on room checkout, extra services sold, variable consumption and so on. Each front-desk employee has their own user profile to operate the daily bookkeeping during their shift time and the system helps calculate from 00:00 to 24:00 whether different front-desk employees operate the system.

As a means of collecting feedback, Hotel B sends an email to customers after their stay, requesting their feedback. Once received, the feedback undergoes an analysis process and is stored in the hotel chain's customer feedback database. The head office then sorts the feedback into positive and negative categories, and selected feedback and complaints are sent back to the specific branch manager email addresses and assigned to specific customer profiles. This allows the manager to identify areas that require improvement and optimize services for specific customers. Additionally, customer feedback serves as a significant indicator for potential customers evaluating the hotel's quality. Despite Hotel B's efforts to encourage active customer engagement on their feedback page, they have not yet achieved their ideal level of participation. To supplement their feedback collection, Hotel B has partnered with various third-party reservation websites and leverages their customer feedback as an external resource. (Manager, Interview, August 2021).

4.2.3 Employee structure

Hotel B's operation manager (interview, 2021) notes that the hotel chain's head office provides training courses for employees and has collaborated with an adult education school to establish a hospitality incubator camp for junior and senior roles in the industry. The program includes online theoretical courses and on-site training with emulated scenarios to enable lifelong learning and establish a clear career path for potential employees. Upon completion of the course, employees receive certificates to acknowledge their professional skills and learning achievements. Additionally, the adult education school offers customized courses for employees at all levels, such as waiters or servers to cultivate the service mentality and commercial concept understanding. Furthermore, Hotel B has implemented a leadership program to develop the leadership and management skills of team members, with fundamental courses focused on performance improvement, hospitality behaviors, etiquette standards, organizational culture, and job procedures. The program uses scenario practice training to immerse trainees in real cases and familiarize them with their working area and job duties. Despite the challenges of unifying professional skills and work competence, qualified service behavior, and standard performance across different branch hotels, Hotel B is committed to maintaining a high level of reputation for their hotel brand.

4.2.4 CRM benefits

Based on feedback obtained from third-party reservation websites and the CRM system customer feedback module data analysis in 2013, the hotel received numerous complaints related to unprofessional behavior, poor communication, and service quality issues in the customer interface

area. As a result, guests left negative ratings ranging from 1 to 2 out of 5. The impact of low ratings and negative feedback from third-party reservation websites directly affected the hotel's monthly orders and potential customer reviews. Concerned about the impact on the hotel's brand reputation, the head office-initiated measures to address the situation. One such measure involved providing professional skills training to all employees of the hotel chain, both online and onsite. The head office emphasized the importance of employee training to branch managers and mandated fundamental training for every employee, with progress reports submitted to the head office on a monthly basis. Additionally, starting in 2015, new employees were required to participate in fundamental skills training for a mandatory period of half a month, or provide proof of previous working experience improvement, professional skills certificates, or pass a recruiter interview test. (Manager, interview, 2021)

After a one-year training restriction, they are getting much better in customer feedback. Also, their rank level in the reservation website has increased to 3.5 out of 5. Customer satisfaction has a positive increase by employee training. Although they still receive some feedback related to employee skills and behavior issues, the guest's feedback has changed a lot from complaint to encouragement. Manager mentioned it is a long way to go to rectify our brand's old impression from the customer's mind. We can see the changes in the right direction and still need time to improve our services. It takes time to build a new feeling for potential customer review and select from reservation websites.

According to the manager, customer feedback serves not only as a means to identify areas in need of improvement but also as a source of motivation for employees. The hotel's efforts in employee training have led to significant changes in customer communication, resulting in positive feedback and high praise on the hotel's feedback page.

In consideration of their hotel's target customers, including business travelers, tourists, and students of different ages and roles in society, the effective communication with customers during daily operations is crucial (Manager, Interview, 2021). Facing a diverse client base with varied characteristics and speaking habits, the hotel's CRM system collects customer data during the information collection phase and simultaneously categorizes each customer's habits, service preferences, food flavor, latest offerings, events participated in while staying in the hotel, and even soft characteristics under a specific customer profile. When a specific customer books a room on the reservation system, the front-desk employee and manager will see the details of this customer and prepare suitable services and preferences before arrival. Customer communication is the first phase of interaction with customers, and employees must adhere to various serving criteria, such as problem-solving speed, urgent issue reaction, basic etiquettes and manners, a good

understanding of the surrounding areas, and sufficient understanding of facilities function. The manager has emphasized the importance of collecting guest information as early as possible, providing an example where a front-desk staff member received a reservation for a standard room for three nights with an extra baby bed request at the end of the reservation description. The guest's profile marked them as a business customer, only attending specific meetings and conferences, and this information was recorded into the CRM guest profile. Checking the guest's reservation history, it became evident that they always book a single room for one night and order a fast check-out service. The front-desk staff realized that this guest may want to have a sightseeing tour in the city with their family and leave business conferences behind. Therefore, the hotel prepared short sightseeing tour brochures, recommendations for places of interest, a local transportation guide, and restaurant rank suggestions before the guest's arrival. (Manager, interview, 2021)

Hotel B tries to attract both business and leisure customers as much as possible. For business customers, they use the CRM system profile section to mark customer's preferences, keep contact with business customer companies with good offers and update local tournaments, activities and conferences by automatic email template sending function to capture potential business customers as early as possible. For leisure customers, the hotel cooperates with local travel agencies, entertainment groups or local restaurants. Leisure customers who have stayed in a hotel will get a good discount with their valid booking number to extend the hotel's services depth.

For those loyal customers who always make booking with hotel as their first choice, hotel B has their own loyal program to provide maximum benefits to loyal customers. Loyal program divided into three levels of membership with first class, second class, top class. Hotel A offers extra services and more benefits according to the levels of membership to ensure loyal customers can get enough benefits from hotel. For example, the first-class membership can get 5 % discount of room reservation, second class 10 % discount of room reservation and 20% discount for top class. Moreover, hotel also offers free welcome snacks and drinks for VIP customer after check-in. (Concierge manager, Interview, 2021)

When considering customer satisfaction or rate of reservation, hotel B got 3.7 out of 5 (November 2021) after they enforced employee fundamental skills training as mandatory conditions and implemented a CRM system in several modules. The general impression has changed step by step from customer comments. Increasingly positive feedback proves that hotel B is getting better than before.

4.3 Hotel C

Hotel C is a sizable lodging establishment comprising of 380 standard rooms, 50 executive rooms, 40 deluxe king suites, and 10 presidential suites located in a scenic suburb surrounded by manicured gardens along the river. As indicated by the operations manager in a questionnaire survey (2021), the hotel is driven by a customer-centric philosophy that prioritizes satisfaction and is dedicated to providing guests with a resort-like experience that encompasses all aspects of their stay. With a focus on building a destination of choice, the hotel aims to attract business travelers, event attendees, and international tourists from diverse backgrounds. The establishment caters exclusively to individuals seeking upscale amenities, personalized services, and leisure activities. To this end, the hotel provides a range of fine dining options and quality beverages to meet the unique flavor preferences of its patrons. Notably, the in-house restaurants offer an assortment of breakfast options and dinner menus.

Hotel C has developed a concept aimed at providing guests with an enjoyable and comfortable experience through genuine and diverse services. These offerings include a gym, coffee bar, beer tasting, swimming pool, full-body spa, wine lounge, mini cinema, gaming room, and more. Additionally, the hotel also provides customized services to specific customers based on their requests. The operating manager indicated that this concept is intended to achieve the goal of offering unique and personalized services to guests. (Interview, 2021)

4.3.1 Operational Structure

Operational structure is a bit complex in Hotel C based on their Managers' description. They used to build an inverted pyramid shape of organizational structure to separate various job roles and positions to clarify every employee's daily work details.

There are four layers of this inverted pyramid (operating manager, interview, 2021). The first and the most important layer which include front-desk employee, housekeeping employee, concierge employee, bartender, restaurant waiter, cook, room seller, plumber, electrician, procurement employee, storage employee, accountant, IT employee and safeguard. They are playing the role of pioneer to interact with customers directly on daily basis. Hotel C decided to create more specific positions to segment detail works for different individual employees to fulfill the need of services. This layer occupied 80% of the proportion of the whole hotel employees. The second layer is the line manager area which includes front-desk manager, housekeeping manager, security manager, food and beverage manager, engineering manager, and sales manager. These employees manage each specific department, control department daily operation and evaluate subordinates serving performance. This layer preferred to management side and performed enough rights to solve complicated problems as soon as possible. The third layer is the subordinate general

manager which includes financial manager, HR manager, operating manager and development manager. The role of this layer is playing a quiet listener and resolute decision maker. They barely participate in hotel daily management, but subordinate department managers need to report the situation of a specific department monthly and generate all customers or services data from the first layer to help the general manager make the right decision and strategy for department operation. Relevant stakeholders and general managers are staying in the last layer of this organization structure pyramid, The role of this layer is the head of this huge hotel. They managed the rudder to guide where they were heading. When encountering risk, they must make the right decision at the right time to lead the future of the hotel.

According to the manager, it is imperative to maintain a clear separation of duties and responsibilities among various positions within the hotel. Each role has designated work areas, daily tasks, and respective managers. To elucidate this stance, consider a situation where the food and beverage department faces a shortage of staff for emergency food preparation. In such cases, the housekeeping department employees cannot be called upon for help due to the lack of expertise and necessary hygiene certificates. Inability to address such a crisis in a professional manner may result in unfavorable customer perceptions of the food and beverage services. Therefore, each department has a contingent of free employees assigned to manage any such emergencies within their respective domains..

4.3.2 IT setup

As the operating manager mentioned in the interview (Interview, 2021), the CRM technology system is divided into two systems: System21 and HHonor. With the usage of these two systems hotel C can store, analyze, integrate and segment customer information.

Hotel C has recognized the significance of the customer relationship management (CRM) system for a considerable time, however, the available CRM solutions in the market did not entirely cater to their specific business processes and lacked customized features. In light of this, the top management decided to invest significantly in the research and development of a CRM system that could meet their expectations. Following rigorous efforts, they launched their own version of the CRM system, which they continue to update to date.

The System21 is an integrated system that comprises room management, room reservation, revenue management, calendar, event, sales management, customer feedback, and customer information management modules. It enables hotels to collect, analyze, and interact with customers throughout their daily life cycle, and the data collected is transferred to their own

database, where it is sorted for necessary customer information or daily hotel management data. The system allows front-desk employees to access each customer's reservation history, activities participation, and service selection based on their credit card number, name, email address, or phone number. A customer's profile is created after their first reservation, and the system archives their data into a database that separates customer types.

System21 is designed to assist employees in providing customized services to customers. The operating manager highlighted that each employee has their own account and user profile in System21, which they use to record and interact with customers. For instance, if a customer leaves a comment or suggestion on a table in their room, housekeeping staff can record these comments or suggestions based on the room number and time left into System21 with their user profile. Later, this employee can forward and report this record to the department line manager, who has the permission to mark these suggestions or comments to a specific customer's profile, displaying information to every employee who has a user account in System21. Target departments or facilities can improve accordingly with appropriate suggestions and comments. The next time the same customer visits the hotel, they can feel valued and appreciated, knowing that the hotel cares about their feedback and takes action to implement their suggestions and comments.

Hotel C has implemented HHonor, a customer membership system with four levels of membership: bronze, silver, gold, and diamond. Upon joining, customers receive a membership card and serial number, with higher levels providing greater benefits. Customers' personal information, habits, food preferences, service preferences, allergy history, reward points, suggestions, feedback, and hotel expense history are recorded in their personal profile. System21 transfers all necessary customer consumption and service data to HHonor for integration.

Hotel C also maintains a robust IT department to support social media operations, CRM system training, hotel IT service provision, and owned web domain customization, as confirmed by the IT department manager in an interview in 2021. The hotel utilizes various social media platforms and external booking websites such as TripAdvisor, Booking, and Travel bird, with dedicated employees managing Instagram, Facebook, TikTok, Twitter, and WeChat to update hotel offers and events in accordance with operational team strategies.

4.3.3 Employee structure

As stated by the operating manager during an interview in 2021, Hotel C has a complex employee structure comprising numerous specialized roles. The hotel's core concept mandates that two employees should be assigned to serve each customer at any given time, and each employee is

assigned a specific role and workspace. The manager emphasized that employees are not permitted to work outside their designated positions, even in emergency situations. Each department has its own line managers and subordinates organized in a hierarchical structure. Attempting to cross-functionally merge different positions during peak work hours can result in operational chaos. To mitigate this issue, Hotel C provides extra training to select employees who are tasked with resolving emergency situations, known as "free guys." Two or three free guys are assigned to each department to remain on standby for emergencies, while also performing their regular duties.

Hotel C implements a comprehensive onboarding program that emphasizes both professional skills and daily etiquette as conscious behaviors. The hotel's employee development program prioritizes etiquette demonstration at 90% and professional skills at 10%, with the goal of cultivating a service-oriented mindset in all employees. New hires are trained by specific line managers who guide them through the CRM system and their daily tasks. Additionally, monthly onboarding meetings are held to inform and train employees on new developments. As the operations manager stated, Hotel C's internal employee community serves as a platform to support employees and ensure their rights and obligations are protected. The community also prioritizes the mental and physical health of its employees. Furthermore, specific department line managers are required to reserve time each day to observe their respective departments and collect the latest customer information and employee working status.

The operating manager of Hotel C highlighted that the establishment has a reward and promotion system for employees that is based on their performance in the past year, evaluated by their line manager, and customer feedback. To incentivize employees, gift cards or discounts are offered by the concierge department to well-performing employees. If employees meet the promotion criteria, subordinate line managers will reach out to specific employees based on their evaluation results and customer feedback. Promotion opportunities are available once a year, and salary increases, flexible working hours, and upper-level employee benefits are tangible incentives to motivate employees to maintain their contributions to their positions.

4.3.4 CRM benefits

Hotel C leverages its own CRM system, System 21, to collect and analyze customer feedback and complaints. In 2012, based on the insights from the CRM system, the top management decided to invest in the renovation of the hotel to improve its outdated facilities and provide better services to satisfy customer needs. Before the renovation, the hotel received many complaints and negative feedback from customers regarding its outdated facilities, resulting in a drop in the average score

to 3 out of 5. However, after completing the renovation in 2014, the hotel's rank level increased to 4.5 on Booking.com, and the annual turnover sharply increased, with more new customer registered members from HHonor data analysis.

In particular, the renovation of the restaurant was a significant success for the hotel. Previously, food and beverage were just a side service and extra value added to the accommodation services. However, the hotel management decided to build a new stylish restaurant on the twelfth floor with a fantastic river view, which not only attracted hotel staying customers but also local people. The food and beverage line manager used the CRM system database to analyze previous customer purchasing behavior, nationality, and common flavor preference to tailor specific dinner menus every day, while the front-desk department tracked customer feedback to deliver information to the food and beverage department for reference.

To cater to different customer segments, Hotel C segmented its customers into two groups: business and leisure. The hotel offers business customers contract prices, one-hour meeting rooms for free, restaurant coffee bar discounts, high-speed internet, and pre-booked taxi services. For leisure customers, the hotel offers a registration opportunity to become a member with a 10% discount for the first stay, along with free access to well-equipped gym, heated indoor pool, video room, and gaming room. The hotel also has a travel consulting desk in the hallway to provide a 20% discount for leisure customers in specific local travel projects with collaborated travel companies.

The hotel's HHonor system is integrated with its CRM system to calculate rewards and benefits for members of a customer to approach the goal of retaining more customers. The CRM system records all customers' consumption history and purchasing behavior and transfers these records to the HHonor system, which can accumulate points and rewards for customers by automatically sending monthly emails. Customers can receive an email or message to get to know how many points they need to achieve the next level of membership to earn more benefits after every stay in the hotel.

4.4 Hotel D

Hotel D is a compact establishment that features five dormitory-style rooms and two common areas for socializing and cooking, catering specifically to young travelers seeking trendy and affordable accommodations that offer unique experiences. Positioned as a budget-friendly option, Hotel D is located in the city center, making it easily accessible via public transportation. Additionally, the hotel offers flexible check-in and check-out times, accommodating the

unpredictable schedules of travelers. Youth hotels may also offer unusual and memorable accommodations, such as treehouses or igloos, to enhance the traveler's experience. The theme of Hotel D is minimalism, with simple and functional decoration and amenities that care to travelers who value simplicity and efficiency. Neutral colors, functional furniture, and plant life create an uncluttered and open space that is flexible and accommodating. To overcome space limitations, Hotel D provides additional services and activities, such as city tours, language corners, movie nights, board game competitions, and other events, to retain existing customers and attract new ones.

4.4.1 Operational Structure

According to the owner of the hotel, as reported in an interview conducted in 2022, the hotel's organizational structure is characterized by its simplicity. Specifically, the hotel employs a flat structure, which means that decision-making and responsibilities are distributed across different levels of the organization, with less emphasis on formal titles and ranks. Notably, there are no levels of middle management between top-level management and staff. As a result, employees are afforded greater autonomy and encouraged to take on increased responsibility and contribute their perspectives and ideas to the organization. Furthermore, communication and collaboration between different levels of the organization are often direct and frequent.

Besides, this less emphasis job hierarchy in management influences positively to the reaction of employees in the service. It helps promote creativity, a sense of ownership among employees. Every Employee treat customer as friend, so that customers could have home feeling and non-pressure during the service. To let customer, feel as friend atmosphere the employee gets along with each other well, hotel owner made a family picture wall in the lobby to show the informal photo of employees, employee and hotel owner selfie with travelers, traveler's own photo. Therefore, customer will have a feeling that they are not staying in the hotel, it is more like visiting friend's house.

4.4.2 IT setup

Hotel D deployed a custom-built system to manage their customer data. (Hotel owner, Interview, 2022). Because of the limited budget, the custom-built system only includes the basic guest list management, room assignment, dashboard and report of sales, campaign management and customer communication channel management. There is no dedicated IT staff and specific IT department in hotel D. They rely on external IT support service to maintenance hardware. Data backup, internet connectivity, social media management usually completed by the owner of hotel.

One of two hotel owner has IT background, he was operating the social media since the hotel built. Using Instagram, Facebook, WeChat to interact with customers and answer their comments. He also checks Booking.com as customer feedbacks resource. As the owner of hotel mentioned (Interview, 2022) that they normally posted events and activities on Instagram and Facebook. Through campaign management module, they sent event invitation to existing customer who already registered on system. According to the guest list management, every guest has independent profile with customer contact information, history of communications and visits, personal information and preference. Dashboard and report interface is quite simple and clear. Vertical bar chart can be demonstrated on dashboard within selected time range by drag and drop which related to room selling report. Moreover, pie chart and gauge chart show how many percentages of room occupancy rate within selected time range and percentage of customer satisfaction.

4.4.3 Employee Structure

Hotel D employee structure is clear. There are no levels of middle management between top management and staff. One of two hotel owner takes care of all daily operation which include customer reservation, online price adjustment, email answering and phone call, check-in and check-out service, room assignment. The other one responsible for social media maintenance, hotel facilities maintenance, inventory restock, organize campaigns and social events and night shift reception work. As hotel owner mentioned (Interview, 2022) that they hired housekeeping staffs to manage the cleaning work since 2008. But based on annual balance report, they decided to outsource the housekeeping work from professional housekeeping company.

The outsource company sent housekeeping staffs to hotel twice a week, every Wednesday and Sunday. Normally, the reception work is not busy and complex. Quick room check-in and check-out service can save many times for reception work to manage rest of online booking, email answering and cleaning work. Daytime shift hotel owner just provided basic cleaning for the common area, sheet change, floor vacuum. Moreover, hotel has laundry room to provide laundry service to customers. A part time job employee washing and ironing the sheet which collected from guest room.

In general, they have one board meeting every week to summarize the whole week hotel operation situation. Checking the customer feedback from social media and Booking website together to improve hotel service in the future. Not only the owner of hotel, but also play the role of employee to experienced daily operation and customer interaction.

4.4.4 CRM Benefit

The purpose of target right customers with suitable campaign to increase bookings and hotel effectiveness, hotel D analyze all their customer information through Custom-built CRM system. Eventually, the CRM system segment customers based on factors such as demographic, booking history, interest, feedback, left comments, behavior, preferences.

One of two hotel owner who responsible for campaigns and social events mentioned (Interview, 2022) that organize activities are their hotel featured service. Before hotel implemented current custom-built CRM system, they subscribed a general CRM system which include only common room assignment, guest list management and customer communication management and report. When the activity coordinator (One of two hotel owner, Interview, 2022) found new idea or unique topic to organize local campaign, he always needs to sort out local customer by guest list filter. Then open a new web to copy paste guest email and manually edit guest name one by one on the invitation letter. It costs lots of time to concentrate on this kind of meaningless work. Later, collect campaign feedback and keep track of performance of campaign is extremely complicated and heavy workload for the hotel owner. It usually takes few weeks that they can calculate the trend of room booking, total of customer consumption, summary of profit based on monthly report from the old CRM system (Hotel owner, Interview, 2022). According to the monthly summary report, they realized the cost of CRM system occupied almost 40% proportion of the whole fixed cost. Moreover, the old CRM system cannot produce more helps from the limited functions and features.

From the board meeting, they decided to purchase a custom-built CRM system which only designed for their hotel based on business process, hotel concept, user friendly, customer communication management, customer data management, marketing management. As hotel owner mentioned (Interview, 2022) new custom-built CRM system has campaign module which can generate email template automatically, design landing page, social media post template and so on. Making sure to include a clear call to action in your campaign that prompts customers to take the desired action, such as booking a stay at your youth hotel. There are few sections show upcoming campaign, enrolled campaign, and campaign history under the customer profile to convenient for activity coordinator to verify customer's active status. Moreover, they can test the campaign with a small group of customers to see how effective it is, use the result to refine campaign and make few necessary changes to improve its effectiveness. Related data can be archived to report and dashboard to track the performance of campaign and make fine-tune to improve its effectiveness. In addition, Campaign module has function to measure the result simultaneously by click-through rates, respond rates, room booking rates and open rates. It saves many times for hotel owner to

get other hands to manage marketing issues.

On the other hand, the custom-built CRM system collects customer data on their preferences and behavior. Hotel owner used this data to create personalized marketing campaigns and tailor their services to better meet their customers' needs. This resulted in a better overall customer experience from social media comments and Booking's feedback. Moreover, as hotel owner mentioned (Interview, 2022) that it also helps streamline daily operations to freed up staff time and reduce the risk of errors such as managing reservation, sending booking confirmation and sending post-stay feedback surveys. The hotel owner can focus on marketing and sales part more effectively. They can use customer data to identify trends and patterns in customer behavior, allowing them to develop targeted promotions and offers that are more likely to resonate with their audience. This can lead to increased bookings and revenue, as well as improved customer loyalty and satisfaction.

Customer communication function optimized more various than old CRM system. The custom-built CRM system provide a centralized platform for managing customer communication, allowing hotel owner to respond to inquiries and issues more quickly and efficiently. For example, if a guest has a question or concern, the hotel can use the CRM system to track the communication and ensure that it is addressed in a timely and effective manner. This can lead to improved customer satisfaction and retention, as well as more positive online reviews and word-of-mouth referrals. Finally, dynamic report and dashboard module can provide valuable insights and analytics into customer behavior and trends. By analyzing customer data, Hotel owner can identify areas for improvement in their operations, such as room amenities, snack and beverage offerings, campaign quality and respond speed. This can help hotels to make more informed business decisions and improve their overall profitability. Additionally, it also can help hotel to identify potential new markets and customer segments, allowing them to expand their offerings and reach new audiences.

5 Analysis

5.1 Comparison of operational structure

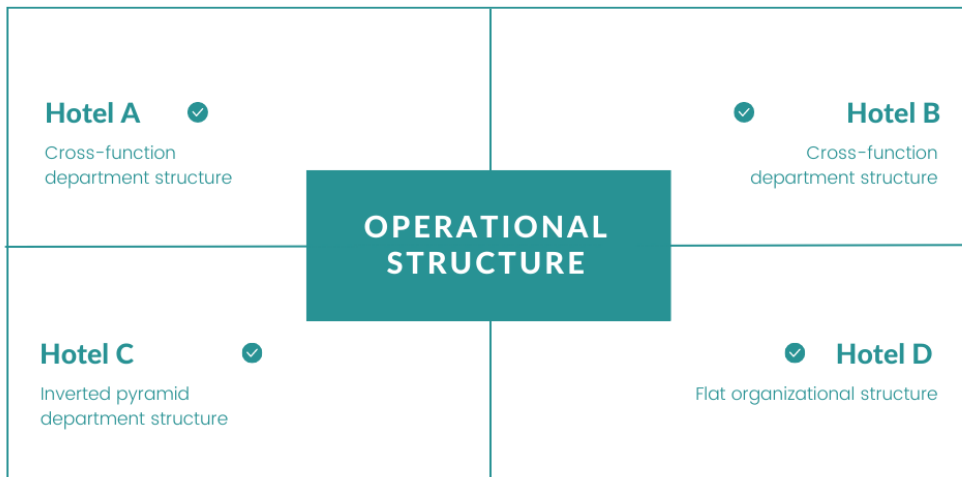


Figure 1. Four cases operational structure

There are three types of operational structure on the picture. In cross-function department structure, employees are not limited to their specific job functions, but instead, they are given the freedom to work in different departments as needed. In flat organizational structure, there are fewer layers of management, and employees have a wider span of control and greater autonomy. In inverted pyramid department structure, employees are empowered to make decisions and take action, while upper management plays a more supportive role.

The process of CRM requires a definite and integrated cross-functional approach (Ryals and Knox, 2001). The operational structures of Hotel A and Hotel B can be characterized as cross-functional, as seen in the case of Hotel A where employees are not fixed to a particular position and all employees participate in the service delivery process. In addition, the managers in Hotel A play an active role in dealing with emergency cases. Hotel B operates across different department lines and trains its employees as "freemen" to work in several departments, making it easier to understand what needs to be done and help out when other departments are busy and in urgent need of extra hands.

The cross-functional structure present in both hotels promotes collaboration and cooperation within the organization, thereby facilitating the implementation of CRM strategies.

Hotel C adopts an inverted pyramid structure that challenges the traditional hierarchical model. This structure is based on the belief that the rapidly evolving business environment of the 21st century demands greater organizational flexibility. According to a study by Sidney Yoshida (1989), 100 percent of an organization's front-line problems are known by employees, while only 4 percent are known by top management. Empowering employees to take advantage of opportunities and

act on issues, and giving them a voice in decision-making, can lead to greater value for customers and increased employee motivation.

According to Ryals and Knox (2001), engagement and involvement of the entire company is crucial matter as to make the CRM, effective and efficient. Hotel D promotes creativity and a sense of ownership among employees through its simple, flat organizational structure. The hotel owner has created a family picture wall to foster a friendly atmosphere for customers, while Hotel A provides a stylish notebook for guests to leave comments, which encourages a sense of familiarity and friendship. Such behavior patterns have a direct positive impact on customer relations, creating an environment in which customers feel they are not staying in a hotel, but rather visiting a friend's house.

5.2 Comparison of technology setup

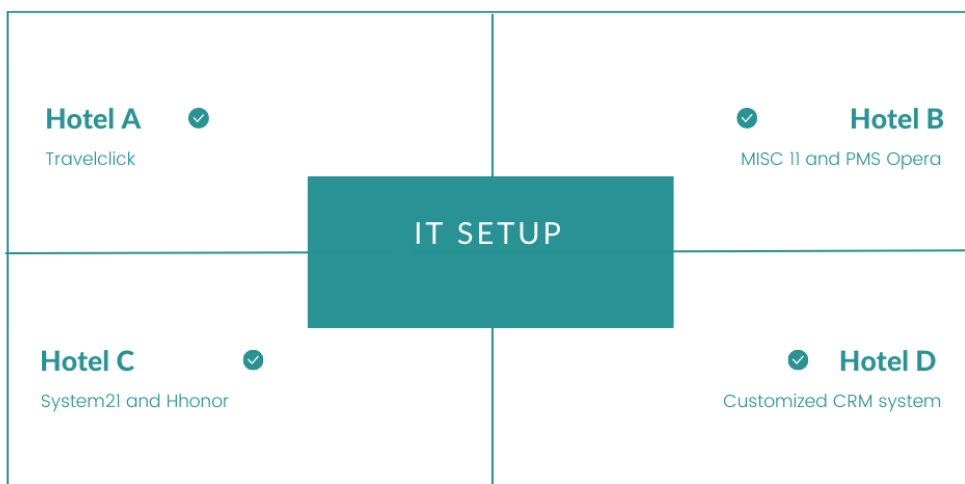


Figure 2. Four cases IT setup

Although it must be clearly that CRM is not about technology issue but business issue, it requires technological tools and functionality to assist to facilitate the relationship (Jerry and Nicholas, 2006). Hotel A utilizes the TravelClick CRM system, while hotel B employs the Opera property management system and the MISC 11 CRM system. Hotel C implements the highly integrated System 21 CRM system and the HHonor customer membership system, and hotel D has a custom-built CRM system. All of these systems serve as tools or infrastructure to facilitate effective customer relationship management.

According to (Alford, 2001) CRM explained as a system that can be built by the chain reaction of technology with business processes and service. The customer database, target email delivery,

marketing, social media connection, customer content are typical examples that shows the combination of technological tools and business process in hotel B, C, D.

Customer databases and systems used to collect and store customer information are essential for gaining a proper understanding of customers' needs and requirements. Hotel B uses Opera to easily access and extract customer information from its database, hotel C deploys System 21 to capture all-consuming behaviors and interactions with customers, and hotel D uses a custom-built CRM system to implement a campaign management module. Whenever customers participate in a hotel campaign, they receive an email invitation for upcoming campaigns and a feedback request from the CRM system. However, hotel A still relies on manual methods to collect customer information and has not fully utilized the features of its CRM system, indicating room for improvement in their CRM approach.

Good customer relationship management means presenting a single image of the company across all the channels that customer may use to interact with the firm (Berry and Linoff, 2000, p14). In this regard, hotel A uses Facebook to interact with customers and collect feedback, but they infrequently update their page. In contrast, hotels B, C, and D have Facebook and Instagram pages and other social media platforms that are primarily used for marketing and promoting upcoming events. Hotel D aims to encourage customers to be more active on their campaign page on social media platforms and engage with them more actively.

5.3 Comparison of employee structure

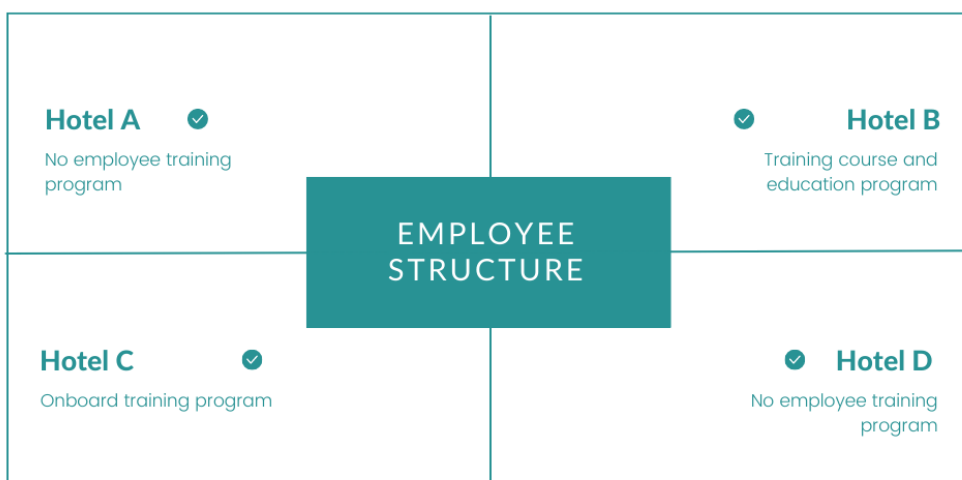


Figure 3. Four cases employee structure

The service driven employee gives more focus on the customer, according to (Ryals and Payne

2001). Hotel B offers training programs and educational opportunities to employees in order to help them fully understand the skills required for their daily duties. They provide customized onboard training for new employees at all levels, including theoretical courses and practical training with line managers to implement theoretical knowledge into real-world situations. These trainings aim to help employees perform at their best in their new roles.

The employee awareness toward the goal of the organization creates a huge impact from the angel view of relationship with customer (Chen and Popovich, 1997). The hotel A, hotel C and hotel D scenario in this respect is less comprehensive comparing to hotel B, there is no specific training for new employees. Nevertheless, manager will train the new employees to get familiar with CRM system, daily duty, to participate weekly meeting to show employees new findings what they have. Hotel C's reward system aimed at motivating employees through a combination of manager evaluation and customer feedback. Specifically, employees who have demonstrated exceptional performance over the course of a year may receive a salary increase, upper-level benefits, and promotion opportunities. This system is designed to incentivize high levels of performance and to recognize and reward those employees who have made significant contributions to the organization.

In the process of implementation CRM, the employee plays a dispensable role and the study "The Iceberg of Ignorance" by Sidney Yoshida (study of the mid-sized Japanese car manufacturing company, 1989). Employees are playing the role of pioneer to interact with customers directly on daily basis. They captured customers behavior and noticed the majority of problems from customers at the beginning of service. Encouraging employee involvement in problem-solving to tackle the underlying issues within hotel. Hotel D executed flat management to eliminate middle management between hotel owner and staff. The owner of hotel not only play the role of top management, but also work as lower-level employee to experience the hotel daily operation and catch the customer needs from the first interaction. Hotel A manager always read customer feedback with employees to have a customer driven service. Eventually employees have the understanding of customer centric.

5.4 Comparison of CRM benefit

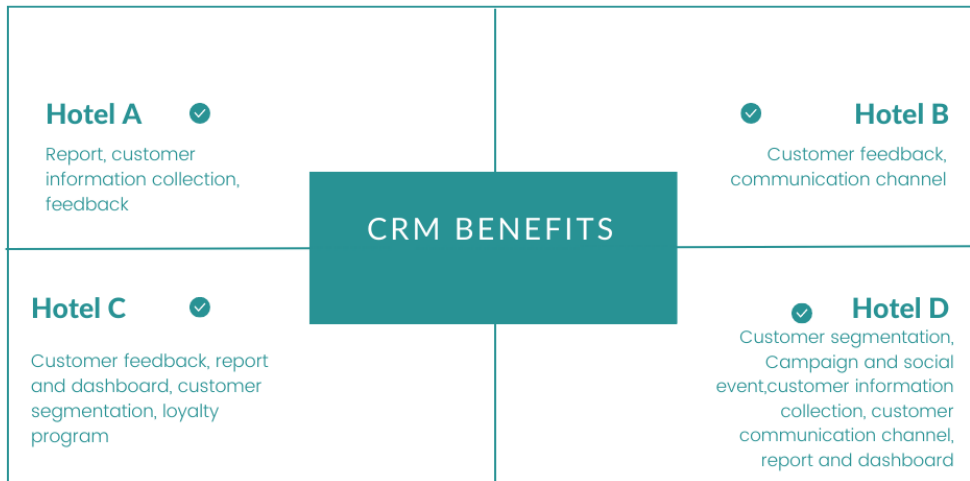


Figure 4. Four cases CRM benefits

5.4.1 Customer segmentation

After using CRM system, hotels can classify similar preferences into categories. With the classifications, hotels can provide specific services and products to different categories. (Verhoef and Donkers, 2001). Hotel B and Hotel C have segmented their customers into two categories: business and leisure customers, while Hotel A focuses on local, cooperative and tourist customers. To satisfy the diverse needs of their customers, Hotel A has partnered with a professional entertainment company to organize local activities and has established a discount agreement with companies that hold conferences or business events in the local area. In comparison, Hotel D has a single customer segment - budget-conscious customers. Effective customer segmentation allows hotels to allocate service resources more efficiently and develop a corresponding service strategy as part of the CRM implementation process. The customer segmentation approaches of Hotel A, B and C demonstrate a greater level of comprehensiveness and subtlety from a CRM perspective compared to Hotel D.

5.4.2 Marketing

With understanding customers and segment different customers, companies can create effective marketing strategy to attract specific customers (Xu, 2002). Hotel A and Hotel B have segmented their customers and identified cooperative business customers and leisure customers as their main target groups. In order to attract these customers, they offer contracted prices based on cooperation agreements, collaborate with local restaurants to offer special meals and discounts, and provide various activities that satisfy their needs such as DJ performances, football match streams, and garden barbecues. These marketing activities have been successful in attracting and retaining customers.

Similarly, Hotel C has also entered into a cooperation agreement with local companies to offer contracted prices for business customers, in addition to providing high-speed internet, free meeting rooms, discounts at the coffee bar, and collaborating with a massage company to provide discounted massage services. Effective marketing, as stated by Mohammed (2012), can reduce total costs, expand the market, and attract new customers. Hotel C's stylish restaurant is a significant source of daily revenue. By hiring a Michelin one-star chef to create quarterly food menus based on customer preferences and purchasing histories, the restaurant has become popular in the local area, attracting both local and hotel customers while avoiding the serving of disliked food, thus saving costs.

In contrast, Hotel D focuses on budget-conscious customers and young travelers, using personalized marketing campaigns and local events to attract target customers. Furthermore, the hotel analyzes customer feedback after each campaign and optimizes the details for the next time.

5.4.3 Working Efficiency

By using CRM system, hotel can easily extract customer information and interaction history to fulfill customer needs immediately. Hotel can directly identify customer needs and make response to customer demand in time. (Scullin et al, 2002). This benefit has been observed in Hotel A, B, C, and D, all of which have successfully employed CRM systems to identify customer needs and reduce response times. Notably, Hotel D, which operates with a smaller staff, has benefited greatly from the implementation of a custom-built CRM system. This system has streamlined daily operations, freeing up staff time and reducing the risk of errors. Additionally, the custom-built campaign module included in the system has automated repeatable work and improved campaign quality, resulting in more effective marketing strategies. Another advantage of CRM systems is improved internal communication efficiency. In Hotel B and Hotel C, where there are multiple departments, the use of CRM systems has facilitated better communication and collaboration between departments, allowing for quick and easy access to customer data and improving overall operational efficiency.

5.4.4 Customer Value

According to the Pareto principle, a small percentage of customers, approximately 20%, can generate a large portion of sales or profits, roughly 80%. The individual and diverse demands of customers for products and services indicate the need for hotels to shift from attempting to satisfy all customers to focusing on specific customer groups to maximize profits. Hotels need to

concentrate on target customers and their needs to achieve the greatest profits from customers. Hotel A focuses on cooperative business customers and leisure customers, while hotels B and C attempt to attract both business and leisure customers, and hotel D concentrates on budget-conscious customers. Each type of customer group can bring profits in different areas within the hotel. Hotels emphasize putting customers at the center of their service and identify target customers by analyzing customer value. Based on target customer purchasing behavior and service preferences, hotels provide customized services, which improves customer value and increases overall customer satisfaction.

5.4.5 Customer Satisfaction

The purpose of CRM implementation is to enhance customer's satisfaction and the quality of service (Po-An Hsieh et al, 2012). The implementation process of CRM systems in hotels A, B, C, and D involves the attraction of customers through marketing efforts and the creation of unique consumption experiences by providing various services. This process entails the rectification of basic facilities and the cultivation of professional service skills and personalized service environments that fulfill both tangible and intangible customer requirements, exceed customer expectations, and create a unique consumption lifecycle. Positive experiences foster customer satisfaction, which translates to customer loyalty, subconscious selection of the hotel's services or products, and a strong brand identity. The hotels have pursued different strategies to improve customer satisfaction, such as investing in facility upgrades (hotel C), extending service options through local events and garden barbecues (hotel A), training professional staff to interact with customers (hotel B), and managing unique campaigns and activities (hotel D). Furthermore, these hotels take customer feedback and complaints seriously and make changes accordingly, as customer satisfaction is the most crucial factor in generating customer loyalty. Despite the different approaches, the ultimate goal is the same: to satisfy customers..

5.4.6 Customer loyal and retention

Hotel B and Hotel C have each developed their own loyalty programs to segment customers into different levels of loyalty. The main objective of such programs is to maintain customer loyalty and retention by offering premium services that distinguish them from regular customers. Loyal customers tend to repeatedly purchase, recommend to their friends and families. Customers with higher levels of membership in these loyalty programs receive more benefits and gain access to personalized services. This can serve as a way to motivate regular customers to become loyal customers and encourage existing loyal customers to increase their consumption in order to upgrade their membership level.

In contrast, Hotel A and Hotel D implement various activities and campaigns to enhance their relationships with customers, provide unique life experiences, add value to customers, and create a sense of belonging. These hotels strive to attract customers and generate interest in staying with them by offering fresh and innovative services.

5.4.7 Customer Service

The implementation of customer relationship management (CRM) systems has enabled hotels to gather and analyze customer information such as consumption behavior, purchase preferences, and feedback. This analysis allows hotels to provide proactive services and improve their services based on customer demands. The four hotels discussed in this study have benefited from the use of CRM systems to achieve this goal. For example, Hotel A fine-tunes their breakfast start time and prepares takeaway pastries and eggs for customers who have early flights. Hotel B builds a small storage room for customer luggage and provides luggage transport services for those who need to carry large luggage from the train station. Hotel C renovates their restaurant and hires a Michelin one-star chef to write quarterly menus in response to negative feedback and complaints. Hotel D organizes adventure campaigns such as hiking, kayaking, and biking to attract young customers and provides personalized services.

While all four hotels offer proactive services to customers based on their information, they also have limitations in their customer service area. These hotels can only capture the requirements of customers who have profiles in their systems, leaving potential gaps in providing proactive services to customers who have not yet provided their information.

5.5 Overall analysis of hotel

The CRM process in these four hotels involves collecting customer information, storing it, filtering and analyzing it to help the hotel make decisions related to marketing, customer segmentation, and campaigns. By updating and analyzing customer information, hotels can create loyalty programs that enable them to observe customer consumption behavior, provide proactive services, retain customers, and analyze customer satisfaction. To improve efficiency in managing customer relationships, users are trained to fully understand the functions of the CRM system.

Therefore, through an integrated and comprehensive CRM approach, hotels can optimize the services and products they offer to customers, retain profitability, and remain competitive in the market.

6 Conclusion

The conclusion of the research questions is based on the hotel case findings that I investigated and analyzed, in order to reach the goal of the thesis. The results indicate that customer relationship management (CRM) can enhance the relationship between hotels and their customers, and potentially lead to future business success. Most hotels strive to implement and improve CRM practices to meet their customers' expectations. These findings provide empirical evidence to support the importance of CRM in the hospitality industry.

6.1 Does the size of the hotel affect the CRM implementation?

During the CRM implementation process certain factors are necessary, to make sure organizations can be benefited after implementing the system. According to my research, I listed two major factors to describe the how size of the hotel affects the CRM implementation.

Employee structure

To ensure successful implementation, it is crucial for employees to be well-trained and participate actively in interacting with customers. The implementation of a CRM system in a hotel requires multiple employees to be knowledgeable about the system and its strategy. By being trained, employees can fully utilize the CRM system to maximize its value. Through leveraging the system's features, they can gain valuable insights into customer behavior, improve customer engagement, and enhance overall business performance. Therefore, medium-sized Hotel B and large-sized Hotel C have dedicated departments with well-trained and professional employees to manage the CRM system. Meanwhile, small-sized Hotel A and Hotel D have specific employees who manage the system to create a positive impact on customers. These employees are also able to contribute towards providing better services and building stronger relationships with customers.

IT setup

The technological infrastructure provides powerful tools to hotels of any size, and its efficacy is dependent on the features of the CRM system. The basic features of a CRM system enable hotels to collect, store, analyze, and share customer data. Even small hotels without a strong IT department and professional, skilled users to configure the platform can receive training and maintenance services from the CRM system vendor to achieve their business goals.

6.2 Can the success factors of CRM implementation be influenced by different hotel business models?

The success of customer relationship management (CRM) implementation in hotels depends on

the alignment between the system and the hotel's unique business model and customer engagement strategy. The diverse hotel business models entail varied customer segmentation, service offerings, and objectives, which dictate the CRM system's efficacy in cultivating stronger customer relationships, gathering customer data, comprehending customer needs, and meeting their demands. My research indicates that an effective CRM implementation strategy should combine distinct hotel organizational concepts and operational structures to identify and enhance the hotel's business models, thereby serving as a critical CRM success factor.

Operational structure

The cross-functional structures in Hotels A and B have influenced the final decision-making processes. CRM implementation demands the involvement of all employees in the service delivery process, making acting as a unified entity crucial in resolving problems during CRM implementation. The inverted organizational structure of Hotel C is more flexible than traditional structures, as it empowers employees to monitor obstacles in the first layer during customer interactions and provide valuable reference data for final decision-making. The flat organizational structure of Hotel D, in contrast, enforces top management control and increases accountability for delivering high-quality services. It centralizes hotel management with fewer bureaucratic layers and greater flexibility to act immediately.

Although these hotels have different business models, the CRM system can provide specific modules to resolve obstacles. For example, Hotel C emphasizes high-touch service to create a customer-centric atmosphere. They require the CRM system to provide personalized guest profiles, detailed customer preferences, real-time communication channels, and activity tracking to deliver a seamless and customized guest experience. Hotel D, on the other hand, focuses on regular operations such as room bookings, reservations, and custom-built campaign modules.

Overall, the different business models are crucial when implementing a CRM system, as they help ensure that the system is aligned with hotel operations and customer engagement.

6.3 What are the benefits of implementing CRM in different size of hotels?

The implementation of a CRM system can help hotels create better customer relationships, understand customer needs, and improve customer satisfaction, ultimately leading to a competitive advantage in the market. However, after analyzing different-sized hotels, I found that the benefits of using CRM systems vary and can be divided into tangible and intangible benefits.

On the tangible side, CRM systems can help create marketing strategies, optimize existing services and products, increase room bookings and overall sales. By segmenting customers and

developing products based on their needs, hotels can improve their marketing strategies. Furthermore, the system can improve working efficiency, allowing different departments within the hotel to share information and extract customer profiles, freeing up staff time to manage other tasks.

On the intangible side, CRM systems can help hotels make a comprehensive analysis of customer information, leading to a better understanding of customer needs, proactive service management, knowledge of customer satisfaction, and the characteristics of target customers. As a result, hotels can provide personalized and unique services to cater to customer needs, which helps retain and develop loyal customers. Additionally, hotels can better manage customer feedback and comments from social media to make necessary changes and improvements to fulfill customer expectations. These changes often result in positive feedback and satisfaction from customers, leading to more loyal customers and making the hotel brand the first choice in customers' minds.

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7 Appendices

Interview questions

1. Basic question about interviewee's information. Working experience in hotel.
2. Basic information about hotel about rooms, employees, services, customers.
3. What is your hotel service concept ? what services do you provide?
4. What about the employee structure in your hotel ? role hierarchy ? duties ?
5. Can you introduce your operational structure ?
6. Do you use outsourcing services ? Can you specify which ?
7. Who are your target customers ?
8. How much do you know about CRM system ?
9. Do you use CRM system ? If use, please specify what kind of CRM system . If don't use, please specify how do manage the customer information and hotel daily operation.
10. Do you have IT department to manage CRM system operation ?
11. What is the first time to use CRM system in your hotel ?
12. Why you choose CRM ?
13. What result you expect before use CRM system ? Did you achieve ?
14. Which parts you want to improve by CRM system ?
15. Which parts get improved after deploying the CRM system ?
16. what is the most important effect on the hotel after using CRM ?
17. Has it positive impact for your sales, business process, employee management, revenue or market shares after well using CRM ?
18. Who add the customer information that collected from reservation ?
19. How do they process it ?(Can you show it on your screen)
20. Did employee get trained about CRM ?
21. How your manager motivates your employees ?
22. How about your employee engagement ? Any trainings or wellbeing ?
23. Do you use customer information that collect to customize services for them ?
24. Do you have any problems before implementing the CRM system?
25. Normally, how long does it take to solve customer's problems ? Does the CRM system reduce the problem-solving time consumption ?
26. Does CRM help you identify customer needs in service process ?
27. Does CRM effects your hotel customer retention rate ? or customer satisfaction rate ?
28. What do you expect in CRM in the future ?
29. How do you market your hotel ?

30. Did you have other sources to collect customer feedback or customer information ? Can you specify which platform ? For example : TripAdvisor, Booking.
31. Do you operate social media to market your hotel ? Which social media ?
32. Who manage the social media to check feedback and answer customer's question?
33. How often did you check feedback and answer customer's question?
34. Any changes on feedback after implement the CRM system ?
35. How is the quality of customer information ?
36. How do you control the information quality? (Update customer information by email or phone)
37. How often does your hotel contact your target customers to update information?
38. Do you have loyalty program for loyalty customer ? Can you specify what kind of loyalty program and how to operate it ?
39. Do you have restaurant in your hotel ?
40. What do you think of your restaurant menu ?
41. Can you describe briefly about your restaurant ?

Questionnaire

1. What is your hotel name ?
2. How many employees do you have ?
 - 0-50
 - 50-100
 - 100-500
 - 500+
3. Can you tell your hotel room occupancy rate ?
 - 0%-30%
 - 30%-60%
 - 60%-100%
4. Who are your target customers ?
 - Business customer
 - Leisure customer
 - Other
5. How much do you know about CRM ?
 - Never heard.
 - Starter
 - Middle
 - Expert

6. Which CRM system do you use ?
- Salesforce
 - Zoho
 - Microsoft dynamic
 - Sap
 - Oracle
 - Hubspot
 - Other, please specify.
7. What is the most important effect on the hotel after using CRM ?
- Department communication
 - Employee working efficiency
 - Customer satisfaction
 - Marketing
 - Profit
 - Customer loyalty and retention
 - Other
8. What features or functions do you expect in CRM system ?
- Internal communication channel
 - Reservation and room booking
 - Customer profile
 - Campaign and events
 - Social media connection
 - Report and dashboard summary
 - Email sending (email template, email branding, email layout design)
 - Billing service
 - Other, please specify.
9. Does CRM help you reduce the time of problem solving ?
- Yes, please specify what kind of customer problems or employee problems
 - No