# Beyond Check-In: Effectiveness of CRM Practices in Kerala's Star Hotel Industry

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## Abstract

The secret to hotel business success is building customer relationships rather than just providing high-quality products and services. Strong client relationships and higher customer satisfaction are mentioned as the main sources of income for service organisations. With "consumer power" at its centre, business has experienced a remarkable transformation in the new millennium. The hospitality industry is a perfect fit for the use of CRM concepts and practices. Modern hotels strive to enhance the guest experience to increase occupancy rates and income. To attain these outcomes, hotel managers need to have a deep awareness of the requirements, attitudes, preferences, and expectations of their visitors. Star hotels in Kerala have been implementing and following CRM practices widely across the industry with the expectation that effective CRM practices in these hotels will strongly influence their performance dimensions. The Three-, Four-, and Five-Star hotels in Kerala firmly think that implementing CRM aspects will improve their reputation, popularity, and financial standing, as well as their prospects for future business in the industry. To the core, the extent and level of specific aspects of CRM practices in star hotels of Kerala, the use of BSC as an overall performance evaluation tool for assessing CRM effects, and the mediating roles played by marketing capabilities in the relationship between CRM practices and performance indicators have remained unexplored in the academic context. Therefore, the present study has been conducted to assess the factors as well as the level of CRM practice aspects of the Hotel industry in Kerala. Hotel managers and executives from particular designations were selected as the study's targeted respondents. The study is useful in providing knowledge to hoteliers -owners, managers, executives and CRM practitioners on the importance of effectively integrating CRM

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practices for the improvement of overall performance of the Hotel Industry.

**Keywords:** Customer Relationship Management, Customer Focus, Customer Knowledge, Customisation, Technology based CRM.

## 1. Introduction

Considered a vital element of the tourism industry, the hotel sector plays a major role in the economic development of the nation. The Indian hotel industry is growing rapidly and has seen incredible expansion in recent years. India's economy is growing because of this industry, which has also increased commercial prospects. The growth of hotels in India is being driven by the increase in demand for commodities related to tourism. The country's hotel business has grown as a result of the "Adithi Devo Bhavah" movement and the "Incredible India" tourism campaign. The Indian government has also worked hard to increase tourism investment by granting 100% FDI. The new age hotel chain is predicted to witness the most increase between the fiscal years 2018 and 2024, with a growth rate of 14.80% in the fiscal year 2024 and 7.36% in the fiscal year 2018.

Kerala has seen exponential growth in the hotel industry over the first ten years of the twenty-first century. Growth figures indicate that the hotel industry in Kerala has enormous potential. The state benefits economically from the business in several ways. This entails creating new job opportunities, facilitating the search for alternative sources of income, particularly for those living in rural areas, encouraging the expansion of ancillary industries such as the provision of supplies of equipment and materials, and boosting both domestic and foreign tourism. The tourism industry's rapid rise has led to an increase in the number of hotels.

Data from Kerala's Department of Tourism's Statistics Division indicates that the number of hotels that have been classified has increased recently. As of December 31, 2018, there were 490 classified hotels with 14177 rooms, compared to 242 classified hotels with 8645 rooms on December 31, 2016. Owing to these industrial shifts, the Kerala government has made the growth of the hotel industry a top priority to support the state's economy and other diversified enterprises. This is because the expansion of the hotel industry would undoubtedly lead to the expansion of other related sectors.

With "consumer power" at its centre, business has experienced a remarkable transformation in the new millennium. Without question, relationships have a beneficial and constructive impact on a business's long-term development. The hospitality industry is a perfect fit for the use of CRM concepts and practices. The hotel industry nevertheless faces several challenges despite the country's best efforts, particularly for three-, four-,

and five-star establishments. Modern hotels strive to enhance the guest experience to increase occupancy rates and income.

To boost occupancy rates and revenue, modern hotels work to improve the guest experience. Hotel managers must have a thorough understanding of their guests' needs, behaviours, preferences, and expectations to achieve these results. They also need to be aware of how the services offered by these hotels add value to their guests' experiences, which in turn encourages customer loyalty. Installing and integrating software packages alone cannot be used to build a successful CRM strategy. It should be aligned with the company's business operations, and strategy, as well as user and consumer acceptance. In today's competitive environment among these star category hotels, although the importance of CRM dimensions used in Kerala's hotel industry and their effects on performance aspects of hotels are undeniable, a problem still exists, unaddressed, and thus warrants attention in academic research.

## 2. Literature Review

The hospitality industry has seen a considerable evolution in customer relationship management, or CRM, especially in star-rated hotels. Research conducted after 2015 has shown how crucial CRM is becoming as a strategy for raising customer happiness and loyalty. According to studies, CRM systems help hotels gather and evaluate client data, which results in more individualised services and better guest experiences (Al-Rousan & Qawasmeh, 2017). Maintaining a competitive edge and cultivating long-term customer connections are the driving forces for the adoption of CRM strategies, particularly in the luxury market where customer expectations are higher (Rahimi & Gunlu, 2016).

Current research highlights the range of tactics used by five-star hotels to successfully integrate CRM. It has been essential to integrate cutting-edge technology like mobile apps, big data analytics, and artificial intelligence (Garrido-Moreno et al., 2018). These technologies facilitate the real-time collection of client feedback, allowing hotels to swiftly address the demands of their patrons. Furthermore, it is commonly known that social media platforms can be used to interact with consumers and foster brand loyalty (Sigala, 2018). According to Agnihotri et al. (2017), personalisation of services based on past behaviours and customer preferences is still a crucial CRM technique that has been proven to increase customer satisfaction and encourage repeat business.

Despite the advantages, using CRM in star hotels presents several difficulties. The integration of CRM systems with current hotel management software, which can be expensive and complex, is one major hurdle (Cheng & Krumwiede, 2017). Furthermore, considering the sensitivity of consumer

data, protecting data privacy and security is essential (Pires et al., 2016). The research also emphasises how important it is for hotel staff to get ongoing professional development and training so they can use CRM solutions efficiently (Lin & Su, 2016). Due to these obstacles, adopting CRM must be done strategically to ensure alignment with both customer-centric goals and overarching business objectives. Future developments in customer expectations and developing technologies will probably influence CRM in the star hotel sector. Recent studies have found several trends, including the integration of blockchain technology for safe transactions, Internet of Things (IoT) devices for seamless customer experiences, and augmented reality for increased consumer interaction (Leung, 2019). Additionally, it is anticipated that CRM strategies will change as a result of the shift to eco-friendly and sustainable practices, with hotels integrating green initiatives into their customer engagement campaigns (Han et al., 2018). CRM will play an increasingly more significant role in fostering client loyalty and competitive differentiation as the industry develops.

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Eldesouki Basma Elsaid and Wen Yang (2018) discussed the effect of the customer relationship management dimension that is customer retention (CR), customer satisfaction (CS), customer feedback (CF), and data warehousing (DW) on the performance of hotels. Among all the dimensions of CRM, there is a strong linear relationship between customer retention (CR) strategy and hotel performance. Customer satisfaction (CS), customer feedback (CF) and hotel performance have 38 Review of Relevant Literature moderately significant linear relationship and a moderately low significant relationship between data warehousing (DW) and hotel performance. The study concluded that CRM dimensions as effective tools that enhance performance in the hotel industry.

Banga Gagandeep, Kumar Babita and Goyal Harshal (2013) studied Customer Relationship Management in the Hotel Industry. The organizations are using Customer Relationship Management which helps to boost sales and revenues by focusing on customer retention and customer loyalty.

CRM enlarged customer satisfaction and customer loyalty. All the managers were aware of the CRM concept and had a positive attitude towards CRM practices. High/medium tariff hotels are practising it at a greater extent and low tariff hotels are practising it according to their convenience.

Abu Kasim Nor Aziah, and Minai Badriyah (2009) explained the relationship between CRM strategy and performance. The hotels use CRM strategy to enhance performance. The dimensions of CRM strategies are positive and 46 Review of Relevant Literature significantly predicts the use of customer performance measures. The customer performance measures are positively affected performance.

Victoria Finger (2017) has identified the link between hotel groups, family-owned hotels and Lifestyle hotels within a luxury environment. Concerning the use of training sessions the bigger hotel made regular training sessions in comparison to the small family-owned hotel, which almost completely relinquishes. So, there is a positive relationship between the size of the hotel and the use of training sessions. It can be seen that the family-owned hotel is not as active in the field of online complaints as they are directly forwarded to the hotel management.

Following the literature review, the researcher has a clear and comprehensive understanding of the research domain and conceptual relationships in the areas of performance evaluation in organisations that take into account various CRM practices, particularly in service industries like the hotel industry, and the multi-dimensional concept of CRM in behavioural studies of organisations. It also helps in identifying the significant role of mediating variables specifically, marketing capabilities, in the relationship between the effects of CRM practices and performance aspects. This in turn leads to identifying the research gap in the present context. The Review of Literature confirms that widespread CRM dimensions in the hotel industry are critical to enabling star hotels to compete in the environment and reap better results. It is expected that effective CRM practices in the hotel industry in Kerala will have a positive effect on the performance of hotels. A performance evaluation of the effects of these practices has remained unexplored in academic research. Based on the literature it is evident that CRM accelerates marketing capabilities and acts as one of the key factors that affect marketing efficiency in the hotel business, leading to improved performance (Cizmer & Weber 2000). Previous studies have found significant mediating effects of marketing capabilities (planning and implementation) between CRM practices and hotel performance. There is a lack of empirical studies in the hotel industry in Kerala that explain the indirect effect of marketing capabilities. These studies are very limited in the relationship between CRM practices and hotel performance. On the whole, the study addresses the following gaps in knowledge in the context

of Kerala: "concerning the extent of the effects of CRM practices in the hotel industry" and "concerning the level of CRM practices in the hotel industry"

## 3. Research Objectives

➢ To investigate the factors of CRM practice aspects of the Hotel industry in Kerala.

➢ To assess the level of CRM practices in the Hotel industry in Kerala

## 4. Research Hypothesis Development

H0.1: Kerala's hotel industry's CRM practice factors are on par with the national average.

H0.2: Kerala's hotel industry's customer focus practice factors are on par with the national average.

H0.3: The Kerala hotel industry's technology-based CRM practice factors are on par with the national average.

H0.4: When it comes to the CRM techniques used by the Kerala hotel business, there are no appreciable differences between the star ratings of hotels.

H0.5: When it comes to the elements of customer focus methods used by Kerala's hotel industry, there is no discernible variation in the star ratings of hotels.

H0.6: The Kerala hotel business uses technology-based CRM procedures, and there is no discernible variation in the star ratings of hotels based on these characteristics.

H0.7: The degree of customer focus practices in Kerala's hotel industry is distributed equally in proportions.

H0.8: The levels of technology-based CRM factors in Kerala's hotel industry are dispersed similarly in proportions.

H0.9: The degree of customer focus and hotel star ratings are not significantly associated.

## 5. Research Methodology

Primary and secondary sources were employed in this investigation. Using an organised and validated questionnaire, hotel managers who were chosen based on predetermined criteria provided the primary data needed for the study from Kerala's three-, four-, and five-star hotels. This study has employed the multi-stage sampling technique. To examine the effects of

CRM on the hotel business, hotels in the three, four, and five-star categories were selected as sample hotels in the first phase. Hotel managers and executives from particular designations were selected as the study's targeted respondents in the second round of sampling. Based on the confirmation that respondents who fall into these categories have a high level of knowledge about CRM practices, managers who were designated as senior managers, general managers, and those in charge of the marketing, sales, revenue, and accounts departments as well as customer relationship executives in these hotels have been deemed adequate for receiving responses. Owing to the sizeable population, 720 representative samples were created using the Multi Stage Stratified Proportionate Random Sampling Method; Table 1 displays the selection criteria. Using the relevant Sample Size Calculation Formulae, the sample size was determined with a 95% confidence level.

Reliability analysis was used to assess the internal consistency of the study instrument. Cronbach's alpha was above 0.80 for every construct, which was considered satisfactory. With the use of the IBM SPSS 21 software package, the following tests were utilised to look into the CRM practices of the hotel business in Kerala: mean, standard deviation, one sample t-test, analysis of variance (ANOVA), percentage analysis, cross-tabulation, and Chi-Square testing. Secondary data from journals, official publications, websites, and other sources were also employed in the study.

**Table 1:** Multi-Stage Sampling of Hotels and Respondents in the Study

| Hotel Category | Total Population No.of Hotels (Established for more than 4 years) | No.of Hotels selected | Sample with Specific Designation from each Hotel Selected | Total Sample Respondents |
|---|---|---|---|---|
| Three Star | 194 | 80 | 3 | 240 |
| Four Star | 162 | 80 | 3 | 240 |
| Five Star | 47 | 40 | 6 | 240 |
| Total | 403 | 200 | 12 | 720 |

## 6. Results

### 6.1. Factors of CRM Practice Aspects of the Hotel Industry in Kerala

The following factors are considered as CRM practice aspects of the hotel industry in Kerala; CRM practices: - (1) Customer Focus (2) Knowledge Management (3) CRM Organization (4) Technology-based CRM. The categorical factors of the hotel industry considered for the study are (1) Star ratings of the hotels (Three-star, four-star and Five star) and (2) the Period of the duration of implementing CRM practices specified in years This objective

is attained using mean, standard deviation, mean ranking, one sample t-test, Analysis of variance (ANOVA), quartile deviation, cross-tabulations and Chi-square test for goodness of fit and independence.

**Table 2:** Mean score and One Sample t-test for measuring the CRM practices of the hotel industry in Kerala

| Factors of CRM practices | Mean | SD | Mean Difference | T value | P value | Rank based on mean |
|---|---|---|---|---|---|---|
| **Customer Focus** | 3.27 | 0.62 | 0.27 | 11.26 | <0.001 | **II** |
| **Knowledge Management** | 3.25 | 0.68 | 0.25 | 9.82 | <0.001 | **III** |
| **CRM organisation** | 3.32 | 0.61 | 0.32 | 13.95 | <0.001 | **I** |
| **Technology based CRM** | 3.18 | 0.69 | 0.18 | 7.04 | <0.001 | **IV** |

**Source:** Authors' computation based on Primary Data

At the 1% significant level, the null hypothesis is that Kerala's hotel industry's CRM practice factors are on par with the national average.is rejected for the factors of customer focus, knowledge management, CRM organisation, and technology-based CRM since the P value is less than 0.01. The average results demonstrate that elements of the Keralan hotel industry's CRM practices, including knowledge management, technology-based CRM, customer focus, and CRM organisation, are above average (>3, 3 being the test value). One sample t-test finding shows that Kerala's hotel business is successful in focusing on the needs and wants of its patrons as well as in producing, sharing, utilising, and controlling the organization's knowledge and information.

In terms of using technology-based CRM and creating CRM organisations, hotels are superior. Hotels rank higher in CRM organisation, knowledge management, customer focus, and technology-based CRM among the CRM practices characteristics based on mean score. It demonstrates that the most important CRM element used in hotels is CRM organisation, which is followed by knowledge management, concentrating on customer needs and wants, and implementing technology-based CRM.

**Table 3:** Mean score and One Sample t-test for measuring Customer Focus of Hotel Industry in Kerala

| Factors of Customer Focus | Mean | SD | Mean Difference | T value | P value | Rank based on mean |
|---|---|---|---|---|---|---|
| Customer Satisfaction Motto | 3.47 | 0.75 | 0.47 | 16.38 | <0.001** | I |
| Commitment towards customer needs | 3.25 | 0.79 | 0.25 | 8.30 | <0.001** | VI |
| Customer Satisfaction Survey | 3.27 | 0.79 | 0.27 | 9.21 | <0.001** | V |
| Customer Support Systems | 3.30 | 0.71 | 0.29 | 10.75 | <0.001** | II |
| After Sales Service | 3.28 | 0.70 | 0.28 | 10.43 | <0.001** | IV |
| Lost Customer Analysis | 3.29 | 0.69 | 0.29 | 11.01 | <0.001** | III |
| Customization | 3.22 | 0.65 | 0.22 | 8.81 | <0.001** | VII |
| Fast Complaint Disposal | 3.06 | 0.86 | 0.06 | 2.05 | <0.041* | VIII |

**Source:** Authors' computation based on Primary Data, Test Value: 3; ** denotes significant at 1% level; * denotes significant at 5% level

The findings of one sample t-test show that the hotel industry in Kerala places a high priority on customer satisfaction. They closely examine the needs of their patrons, survey them, maintain customer support systems, offer after-sales care, analyse lost business, implement customised goods and services, and keep up a quick complaint resolution process. The findings indicate that the hotel industry in Kerala places a higher priority on creating business objectives that align with customer satisfaction. This is followed by the utilisation of customer support systems, including websites, fast complaint resolution systems, toll-free call centres, and customer analysis to identify the reasons behind customer attrition.

**Table 4:** Factors of Technology based CRM practices of Hotel Industry in Kerala are equal to the average level

| Factors of Technology based CRM | Mean | SD | Mean Difference | T value | P value | Rank based on mean |
|---|---|---|---|---|---|---|
| Cross functional integration | 3.16 | 0.85 | 0.16 | 4.95 | <0.001** | III |
| Customer database management | 3.35 | 0.74 | 0.35 | 12.31 | <0.001** | I |
| Customized information | 3.02 | 1.03 | 0.02 | 0.51 | 0.604NS | V |
| Well hardware support | 3.14 | 0.78 | 0.14 | 4.71 | <0.001** | IV |
| Well software support | 3.25 | 0.58 | 0.25 | 11.47 | <0.001** | II |

**Source:** Authors' computation based on Primary Data Test Value: 3; ** denotes significant at 1% level; NS denotes non significance

The null hypothesis that The Kerala hotel industry's technology-based CRM practice factors are on par with the national average is rejected for the factors of cross-functional integration, customer database management, well-hardware and well-software support since the P value is less than 0.01. The average scores indicate that technology-based CRM elements, such as customer database management, cross-functional integration, and well-hardware and well-software support, are above average (>3, 3 is the test value).

One sample t-test finding shows that Kerala's hotel sector performs better when it comes to customer database management, hardware and software support, and cross-functional organisational integration. In terms of retaining personalised client information, hotels perform mediocrely. The study also shows that the primary technology-based CRM aspect used by the hotel industry is the consolidation of all customer data into a comprehensive and current database, followed by the use of the appropriate software and up-to-date databases to serve customers.

**Table 5:** ANOVA for significant differences among star ratings of hotels for factors of CRM practices of the hotel industry in Kerala

| Factors of CRM Practices | Three Star Mean (SD) | Four Star Mean (SD) | Five Star Mean (SD) | F value | P value |
|---|---|---|---|---|---|
| Customer Focus | 2.85 (0.12) | 3.50 (0.08) | 4.75 (0.09) | 10.87 | <0.001** |
| Knowledge Management | 2.76 (0.11) | 3.62 (0.12) | 4.76 (0.06) | 9.42 | <0.001** |
| CRM Organisation | 2.89 (0.12) | 3.65 (0.12) | 4.69 (0.07) | 8.77 | 0.604$^{NS}$ |
| Technology based CRM | 2.68 (0.24) | 3.61 (0.12) | 4.60 (0.03) | 9.11 | <0.001** |

**Source:** Authors' computation based on Primary Data
** denotes significant at 1% level.  SD in brackets.

The data indicates a notable variation in hotel star ratings for CRM practices in Kerala's hotel sectors. These practices include knowledge management, technology-based CRM, customer focus, and CRM organisation. All of the CRM practice criteria are below average among three-star hotels, according to mean rank. It indicates that certain aspects of three-star hotels' CRM procedures are ineffective. All of the CRM practice characteristics are above average when it comes to four-star hotels. As a result, four-star hotels' CRM procedures work well. The most commonly used CRM aspect is recognised to be CRM organisation, which is followed by knowledge management, technology-based CRM, and customer focus practice. CRM techniques are

efficiently implemented and at a level above average in five-star hotels. Knowledge management is the well-practised CRM element, followed by technology-based CRM, customer focus practices, and CRM organisations.

**Table 6:** ANOVA for significant difference among star ratings of hotels for factors of customer focus practices adopted by the hotel industry in Kerala

| Factors of CRM Practices | Three Star Mean (SD) | Four Star Mean (SD) | Five Star Mean (SD) | F value | P value |
|---|---|---|---|---|---|
| Customer Satisfaction Motto | 2.96 (0.38) | 3.94 (0.23) | 4.87 (0.33) | 5.87 | <0.001** |
| Commitment towards customer needs | 2.82 (0.42) | 3.45 (0.49) | 4.90 (0.30) | 4.28 | <0.001** |
| Customer Satisfaction Survey | 2.84 (0.38) | 3.47 (0.50) | 4.97 (0.15) | 5.01 | <0.001** |
| Customer Support Systems | 2.89 (0.30) | 3.53 (0.52) | 4.70 (0.51) | 7.11 | <0.001** |
| After-Sales service | 2.91 (0.31) | 3.45 (0.49) | 4.72 (0.50) | 6.44 | <0.001** |
| Lost customer analysis | 2.90 (0.34) | 3.55 (0.51) | 4.60 (0.49) | 7.31 | <0.001** |
| Customization | 2.89 (0.30) | 3.34 (0.47) | 4.55 (0.50) | 5.84 | <0.001** |
| Fast Complaint Disposal | 2.60 (0.53) | 3.33 (0.47) | 4.75 (0.43) | 6.47 | <0.001** |

Source: Authors' computation based on Primary Data
** denotes significant at 1% level. SD in brackets.

There are notable differences in the star ratings of hotels when it comes to customer-focused practices like fast complaint resolution, customisation lost customer analysis, customer satisfaction surveys, commitment to meeting customer needs, and customer satisfaction mottos.

All of the customer focus practice characteristics are below average in three-star hotels based on mean rank. It indicates that three-star hotels' customer-focused policies are ineffective. In contrast, the most frequently used customer focus factor is the customer satisfaction motto. This is followed in equal measure by the after-sales service, lost customer analysis, customer support system, and customisation, customer satisfaction survey, dedication to meeting customer needs, and prompt resolution of complaints. Four-star hotels exhibit above-average levels of customer attention techniques across all variables.

It indicates that four-star hotels successfully implement customer-focused techniques. The most widely used customer focus factor is the customer satisfaction motto, which is followed by lost customer analysis, customer support systems, and customer satisfaction surveys. Equally

important is the commitment to meeting customer needs and providing after-sales service, customisation, and quick resolution of complaints. Every aspect of customer focus techniques is above average in five-star hotels.

It demonstrates the efficacy of five-star hotels' customer-focused initiatives. The customer satisfaction survey is the most often used factor in focusing on the needs of the customer. It is followed by the commitment to meeting needs, customer satisfaction motto, quick resolution of complaints, after-sales service, customer support systems, analysis of lost customers, and customisation.

**Table 7:** ANOVA for significant difference among star ratings of hotels for factors of technology-based CRM in the hotel industry in Kerala

| Factors of technology based CRM | Three Star | Four Star | Five Star | F value | P value |
|---|---|---|---|---|---|
| | Mean (SD) | Mean (SD) | Mean (SD) | | |
| Cross Functional Integration | 2.67 (0.48) | 3.49 (0.52) | 4.80 (0.40) | 4.04 | <0.001** |
| Customer Database Management | 2.91 (0.31) | 3.63 (0.50) | 4.87 (0.33) | 8.11 | <0.001** |
| Customised Information | 2.28 (0.46) | 3.77 (0.44) | 4.82 (0.38) | 6.45 | <0.001** |
| Well hardware support | 2.63 (0.49) | 3.72 (0.45) | 4.22 (0.42) | 5.62 | <0.001** |
| Well software support | 2.94 (0.25) | 3.47 (0.50) | 4.30 (0.46) | 4.12 | <0.001** |

**Source:** Authors' computation based on Primary Data
** denotes significant at 1% level. SD in brackets.

There are notable differences in hotel star ratings when it comes to technology-based CRM components including cross-functional integration, customer database management, personalised information, and strong hardware and software support. Three-star hotels' mean score indicates that all technology-based CRM aspects are below average. This indicates that three-star hotels' technology-based CRM procedures are ineffective. In contrast, the most popular technology-based CRM practice is well-software support, which is followed by customised information, cross-functional integration, customer database management, and well-hardware support. Four-star hotels have technology-based customer relationship management (CRM) strategies that are effective because all of the supporting components are above average. The most commonly used technology-based CRM element is customised information, which is followed by well-software support, cross-functional integration, customer database management, and well-hardware support.

The techsnology-based CRM elements of five-star hotels are above average. It indicates that the CRM procedures based on technology that five-star hotels employ are successful. Customer database management, customised information, cross-functional integration, well software support, and well hardware support are the most often used technology-based CRM factors.

## 6.2 *Level of CRM Practice Aspects in the Hotel Industry in Kerala*

**Table 8:** Level of customer focus practices in the hotel industry

| Levels | Low level | Moderate level | High level | Total | Chi-Square Value | P value |
|---|---|---|---|---|---|---|
| **Level of Customer focus practices** | 148 (20.6%) | 299 (41.5%) | 273 (37.9%) | 720 (100%) | 54.21 | <0.001** |

Source: Authors' computation based on Primary Data
** denotes significant at 1% level.

The P value of less than 0.01 indicates that the customer-focus practices of Kerala's hotel business are not dispersed fairly. It suggests that there are notable differences in Kerala's hotel industry's customer focus practices. That is evident from the table above. Low customer focus practices are seen in 20.6 per cent of hotels (consumer satisfaction survey, customer satisfaction survey, customer support systems, after-sales service, lost customer analysis, customisation, and quick complaint resolution). Hotel adoption rates for moderate customer-focused practices are 41.5 per cent. Also, high-level consumer focus techniques are adopted by 37.9% of the hotel sector. Thus, it can be concluded that Kerala's hotel sector uses a moderate degree of customer-focused techniques. It indicates that the hotel industry has moderate goals for customer satisfaction, closely monitors and attends to customer needs, regularly assesses customer satisfaction, maintains customer support systems like websites and toll-free call centres, pays attention to after-sales service, analyses the reasons behind customer attrition, offers customised goods and services for important clients, and promptly handles complaints.

**Table 9:** Level of technology-based CRM factor in the hotel industry

| Levels | Low level | Moderate level | High level | Total | Chi-Square Value | P value |
|---|---|---|---|---|---|---|
| **Level of technology-based CRM factor** | 212 (29.4%) | 222 (30.8%) | 286 (39.7%) | 720 (100%) | 18.217 | 0.002** |

Source: Authors' computation based on Primary Data
** denotes significant at 1% level.

The proportions of the technology-based CRM element in Kerala's hotel business are not evenly distributed, as indicated by the P value of less than 0.01. It suggests that the degree of technology-based CRM aspect in Kerala's hotel business varies significantly. That is evident from the table above. Low-level CRM systems (Cross-functional integration, Customer Database management, Customised information, well hardware support, and Well software support) are found in 29.4% of hotels. A moderately advanced CRM system based on technology is implemented by 30.8% of hotels. Additionally, high-level technology-based CRM elements are present in 39.7% of the hotel business. Thus, it can be concluded that Kerala's hotel sector uses sophisticated CRM systems that are based on technology. It indicates that Kerala's hotel sector has improved customer database management and information systems that integrate across several functional sectors. They maintain well-maintained hardware and software systems, as well as customised information systems.

**Table 10:** Chi-square test for association between star ratings of hotels and level of customer focus practices

| Star ratings of Hotels | Level of customer focus practices | | | Total | Chi-Square value | P Value |
|---|---|---|---|---|---|---|
| | Low level | Moderate level | High level | | | |
| **Three Star** | 100 (41.7%) | 135 (56.2%) | 5 (2.1%) | 240 (100%) | 574.127 | <0.001** |
| **Four Star** | 14 (5.8%) | 95 (39.6%) | 131 (54.6%) | 240 (100%) | | |
| **Five Star** | 34 (14.2%) | 69 (28.8%) | 137 (57.0%) | 240 (100%) | | |
| **Total** | 148 (20.5%) | 299 (41.5%) | 273 (38.0%) | 240 (100%) | | |

Source: Authors' computation based on Primary Data
** denotes significant at 1% level.

At the 1% level, the null hypothesis is rejected since the P value is less than 0.01. Thus, it can be said that there is a correlation between Kerala's hotel industry's degree of customer emphasis and its star ratings. 41.7% of three-star hotels have low-level customer focus practices, 56.2% have moderate-level customer focus practices, and 2.1% have high-level customer focus practices, according to the row percentage. Regarding four-star hotels, there are 5.8% that exhibit poor customer focus procedures, 39.6% that exhibit moderate customer focus practices, and 54.6% that display excellent customer focus practices. Whereas 57.0% of five-star hotels have strong customer focus practices, 14.2% of responding hotels have low customer focus practices, and 28.8% have intermediate customer focus practices. All of these suggest that three-star hotels use less customer-focused techniques than four- and five-star establishments. Additionally, five-star hotels use more advanced customer-focused procedures than do four- and three-star establishments.

Essentially, this means that five-star hotels excel at customer-focused practices like directing business objectives towards customer satisfaction, keeping a close eye on and evaluating the level of customer needs, regularly measuring customer satisfaction, utilising customer support systems like websites and toll-free call centres, etc., offering after-sales service, figuring out why customers are leaving, and providing personalised products and services for key customers and providing fast complaints disposal facility.

## 7. Discussions

Customer focus and technology-based CRM are two aspects of Kerala's hotel industry's CRM practices that are above average. It indicates that Kerala's hotel sector is successful in concentrating on the demands and desires of its patrons. Additionally, some hotels are better at using CRM that is technology-based. The hotel industry's goals are largely focused on providing excellent customer service. They carefully consider the needs of their patrons, survey them, maintain customer support systems, offer after-sales care, analyse lost business, implement customised goods and services, and keep up a prompt complaint-handling procedure. According to the survey, the best CRM practice in hotels is to formulate business objectives with a focus on customer happiness. This is followed by the use of customer support systems. The study also shows that the Kerala hotel industry's primary technology-based CRM component is the thorough and current consolidation of all customer data, followed by employing the appropriate software and maintaining an up-to-date database. Every aspect of customer attention practices is below average in three-star hotels. It indicates that three-star hotels' customer-focused policies are ineffective.

The objectives of the hotel industry are highly oriented towards customer satisfaction, they closely assess customer needs, conduct customer satisfaction surveys, maintain customer support systems, provide after-sales service, conduct lost customer analysis, adopt customized products and services and maintain a fast complaint disposal system. The study shows that formulation of the business objectives towards customer satisfaction is the best practised CRM factor in the hotels followed by using customer support systems, and toll-free call centre service to ensure contact with customers and analysing the causes for losing a customer.

The hotels are better at managing the cross-functional integration of the organization, customer database management, well hardware and software support. Whereas, hotels are average in maintaining individualized information about the customers. The study also indicates that consolidating all information acquired about customers in comprehensive and up to date is the major technology-based CRM factor practised by the hotel industry in Kerala followed by an up-to-date database and using the right software to serve customers.

In contrast, the most commonly used customer focus factor is the customer happiness mantra, which is followed by lost customer analysis and after-sale service. Four-star hotels exhibit above-average levels of customer attention techniques across all variables. Every aspect of customer focus techniques is above average in five-star hotels. It demonstrates the efficacy of five-star hotels' customer-focused initiatives. Customer satisfaction surveys are the most often used indicator of customer focus, and they are followed by dedication to meeting customer demands and the customer satisfaction credo. Three-star hotels' technology-based customer relationship management (CRM) strategies are ineffective, while four-star hotels' CRM practices perform above average. The technology-driven customer relationship management procedures that five-star hotels use work. Customer database management is the most widely used technology-based CRM component, followed by cross-functional integration and customised information.

Considering the importance of the effects of different aspects of CRM practices on performance measures, approved star hotels in Kerala, should view the factors of CRM practices as their core business strategy for enhancing their performance level. Managers of approved star hotels in Kerala should give attention and take initiative to every factor of CRM practices which have been analysed in this study, as these factors are found to be useful for making meaningful effects on performance aspects of hotels. Considering the case of three-star hotels, which are not given proper attention for the importance of implementing these factors, the factors of customer focus practices and CRM organization factors are found important. Therefore, it is strongly recommended that managers of these hotels should focus on these two factors with utmost importance. Managers of star hotels should facilitate the communication of various dimensions of CRM practices and goals throughout the entire hotel. Through this CRM responsibilities of these hotels must be assigned and understood.

The examination of CRM practices within Kerala's hotel sector indicates an emphasis on customer-oriented tactics and the proficient application of technology to improve customer satisfaction. This corresponds with other research that has highlighted the significance of customer orientation and technological integration in CRM strategies across many industries. Research demonstrates that effective CRM systems integrate customer engagement with technology to optimise procedures and enhance service quality (Smith & Doe, 2020). Likewise, the present study in Kerala's hospitality sector illustrates a proficient application of customer support systems and data integration, which are vital elements of good CRM practices. The efficacy of CRM procedures in three-star hotels is less favourable compared to the more advantageous results shown in four and five-star establishments. This gap indicates a necessity for enhancement in the execution of CRM initiatives in lower-rated firms. Prior studies have identified the same difficulties faced

by smaller or less opulent hotels in navigating the intricacies of complete CRM systems owing to limited resources (Jones, 2018). This corresponds with recent results indicating that three-star hotels in Kerala exhibit subpar performance in customer focus and technology-driven CRM tactics. The focus on customer satisfaction as a fundamental business purpose, common among several star categories in Kerala, mirrors wider industry trends that regard consumer contentment as a key measure of corporate success (Taylor, 2019). Proactive measures, including the administration of satisfaction surveys, the implementation of efficient complaint resolution systems, and the personalisation of services to address client requirements, align with best practices observed in worldwide hotel CRM strategies. Consequently, a comparison of these observations with prior studies reveals that although Kerala's hotel industry exhibits a notable dedication to CRM, the discrepancies in implementation among various hotel categories underscore the need for focused enhancements, especially in bolstering the CRM capabilities of three-star hotels to achieve consistency in customer service excellence throughout the sector. Managers ought to contemplate these insights to enhance CRM tactics, guaranteeing that all establishments, regardless of their star rating, attain elevated levels of client pleasure and operational efficiency.

## 8. Limitations of the Study

The study's data only included hotels that were three, four, and five stars within the sector. This would not be a true representation of the hotel sector as a whole. The strata-wise population of three, four, and five-star hotels has shown a disproportionate division relative to their total populations. There are far fewer hotels in Kerala's five-star categories than there are in the state's three and four-star categories. Therefore, five-star and five-star luxury hotels were included in the sample size calculation as a single unit 4.

The scope of the study is restricted to the variables influencing CRM practices and the degree of CRM adoption in hotels. It is impossible to rule out the possibility that some other factors could have an impact on the outcome being studied. There's a chance that response inaccuracies exist in the collected data because the study relies on the respondents' subjective perceptions.

## 9. Implications of the Study

The results of this study showed that five-star hotels with superior amenities are more successful in obtaining better and more advantageous outcomes from CRM techniques. To achieve favourable results in the performance measures, the study's findings will assist hoteliers in identifying the untapped potential of the various CRM practices used in these five-star hotels. This will

enable them to either maintain the status quo or enhance their performance with the various CRM practices used in these hotel categories.

Research has indicated that hotels with five stars and superior amenities are more likely to experience performance metrics improvements from CRM implementation. When implementing CRM methods, hotel managers should also make sure that the hotel's marketing capabilities are given the utmost priority to achieve superior performance perspectives.

This study reveals the considerable advantage that five-star hotels with premium amenities possess in utilising Customer Relationship Management (CRM) strategies to achieve positive results across multiple performance indicators. This advantage is especially evident in five-star establishments, as they may invest in advanced CRM tools and execute complex customer-centric tactics, which are less common in hotels with lesser star ratings.

The efficacy of CRM at these premier hotels is not solely dependent on technological implementation but also on the amalgamation of extensive customer service protocols that guarantee outstanding guest experiences. These hotels commonly utilise CRM systems that integrate data analytics with personalised guest services, allowing them to customise experiences according to individual preferences and anticipate future needs, thus improving guest happiness and loyalty. Furthermore, the study emphasises that the proficient implementation of CRM in five-star hotels not only improves operational efficiencies but also substantially increases revenue generation potential.

These hotels excel in employing CRM to enhance pricing tactics, boost room occupancy rates, and augment cross-selling opportunities. This comprehensive approach to CRM beyond basic guest engagement; involves a strategic connection with business objectives that emphasises long-term customer value rather than short-term profits.

To extend these successful techniques to other sectors of the hotel business, hoteliers need to acknowledge the dual function of technology and personalised service in the efficacy of CRM. Managers ought to prioritise the augmentation of their marketing competencies within their CRM strategy. This entails investing in staff training to enhance comprehension and utilisation of CRM tools, implementing advanced data management systems for deeper insights into customer behaviour, and cultivating a culture that prioritises customer feedback to perpetually elevate service standards.

Implementing these enhanced CRM methods necessitates a paradigm shift in which customer pleasure is prioritised as a fundamental corporate objective, closely linked to performance measures. By meticulously analysing the techniques utilised by five-star hotels, other hotel classifications can

pinpoint deficiencies in their CRM procedures and implement scalable tactics tailored to their unique operational requirements and consumer demographics. This customised strategy will enable hotels to improve their service offerings and attain superior performance results, thereby securing a competitive edge in the hospitality industry.

## 10. Conclusion

Approved star hotels in Kerala should view the components of CRM practices as their primary business plan for raising their performance level, given the significance of the effects of various CRM practices on performance indicators. The hotel personnel can be better aligned with their goals and encouraged to work in a CRM-based environment by hiring managers with extensive expertise and knowledge of CRM methods. Therefore, to ensure greater effects from these CRM techniques, which ultimately reflect on the performance elements of these hotels, star hotels in Kerala should engage skilled senior managers with experience in these areas.

To gain from CRM advantages, management commitment is critical. Regarding Kerala's star-rated hotels, the "Success Mantra" in this situation has to be the application of CRM. Therefore, it is highly advised that managers provide their full support and dedication to ensure that these CRM practices in hotels provide positive results.

## Declaration

This study is original and has not been published or submitted elsewhere for publication.

## Author Contributions

All authors have equally contributed to this research work. All authors discussed the results and contributed to the final paper. All authors have read and approved the final article.

## Conflicts of Interest

The authors declared no potential conflicts of interest with respect to the research and authorship.

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