The Impact of Customer Relationship Marketing by Aqaba Economic Zone ''A Case Study of Five Stars Hotels"

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Abstract

This paper is an attempt to find the variables factors that Influence the impact of customer relationship marketing by Aqaba Economic Zone ''A case study of Five Stars Hotels. In this research, the Statistical Package for the Social Sciences (SPSS) was used for data entry, as well as for examining the data later. Data preparation was the initial step, which aimed to convert raw data into a more structured format that is more appropriate for analysis. The hotel use specialized Customer Relationship Management (CRM) software to manage customer, the hotel use specialized Customer Relationship Management (CRM) Software to improve its ability to manage customers, extent do staffs have to follow guidelines to work together as a team.

Key words   Aqaba Economic Zone, Customer Relationship marketing, Hotel, services, Customer loyalty

1. Introduction

Customer Relationship Marketing is the fourth significant post-war wave. While marketers have long viewed brands as assets, the real asset is brand loyalty. A brand is not an asset. Brand loyalty is the asset. Without the loyalty of its customers, a brand is merely a trademark, an own able, identifiable symbol with little value. With the loyalty of its customers, a brand is more than a trademark. A trademark identifies a product, a service, a corporation. A brand identifies a promise. A strong brand is a trustworthy, relevant, distinctive promise. It is more than a trademark. It is a trust mark of enormous value.

Creating and increasing brand loyalty results in a corresponding increase in the value of the trust mark. Customer Relationship Marketing recognizes that it is not enough to attract buyers. The CRM goal is to convert buyers into loyalists and loyalists into enthusiasts/evangelists. CRM is a genuine revolution in how marketers manage their brands. Its own agents of change have swelled each marketing wave (Malhotra, K.M., Briks, F.D, 2002).

Customer Relationship Marketing and those who do not. Those who do are reorganizing their marketing programs to create and strengthen brand loyalty.

They put as much emphasis on retaining customers as they do on attracting customers. These same marketers are also abandoning the notion, that advertising's job ends with the sale that its goal is to effect some "hands-off" at some cash register. They recognize that the sale is the beginning of an opportunity to create an enduring, profitable brand relationship with the customer. It seems an appropriate time to provide a substantial review of the past, present and likely future of what has become known as Relationship Marketing, together with an extensive list of key RM literature. This paper will take a reader through the origin, development and current state of RM research, with notes on the future of the research and practice of RM. The paper concludes that RM is here to stay, whether or not it is recognized as the dominant logic/paradigm of marketing (Michael John Harker & John Egan, 2006).

The challenges of fostering relational resources within marketing practice and pedagogy are then discussed. Next, the paper explores the value of experiential learning approaches in education and considers different experiential models for fostering relational resources. An African Drumming circle was chosen, because it offers exciting opportunities to explore relational principles both through the actual lived experience as well through the active exploration of the metaphor. The paper concludes that the

drumming circle offers an interesting access to experiencing the movement from being an individual actor to collaborating as part of a wider network of actors. Thus, insights are generated at the level of lived experience as well as at a more metaphoric one (Lisa O'Malley, 2006).

2. Literature Review

A number of authors have advocated a move towards integrating customer relationship management (CRM) and revenue management (RM). The implications of integrating CRM and RM strategies in the context of the hotel environment, however, have received little attention. The key questions that need to be addressed are: who should be targeted with CRM efforts and how will those efforts affect the RM process? This paper examines the relationship between CRM and RM. By means of the lifetime/profitability approach to customer segmentation proposed by Reinartz and Kumar in 2002, the appropriate customer segments to target with CRM efforts are identified and a supporting RM strategy is outlined for each segment. These include traditional RM, lifetime value-based pricing, availability guarantees and short-term and ad hoc promotions.

(Jay Kandampully, 2000) considerable interest to both practitioners and academics in the field of hospitality management. The objective of this research is to identify the factors of image and customer satisfaction that are positively related to customer loyalty in the hotel industry. Using data collected from chain hotels in New Zealand, the findings indicate that hotel image and customer satisfaction with the performance of housekeeping, reception, food and beverage, and price are positively correlated to customer loyalty.

John T. Bowen, Shiang-Lih Chen, (2001) Develops and implements a method for hotels to identify attributes that will increase customer loyalty. Other hotels can replicate the methodology used in this study. The study makes the uses of the hotel's database to draw samples for both focus groups and a mail survey. Based on 564 completed surveys from hotel guests, the authors found the relationship between customer satisfaction and customer loyalty was non-linear. The authors use the data to develop internal benchmarks for the hotel based on scores that were representative of loyal customers. The study makes use of the hotel's database to draw samples for both focus groups and a mail survey.

For many years, hospitality firms have believed that the goal of marketing is to create as many new customers as possible. While hoteliers believed it was important to satisfy the guests while they were on the property, the real goal was to continue to find new customers. This constant search for new customers is called conquest marketing. In the future, conquest marketing will not be sufficient. Instead, firms need to practice loyalty marketing or retention marketing. The authors believe that this will be the successful wave of the future in hospitality. The goal of this paper is to present a framework for understanding customer loyalty. We do this first by examining the economics of loyalty. We then define loyalty and explain the difference between frequency programs and loyalty programs. We also show why satisfaction does not equal loyalty. We then introduce the Loyalty Triangle©, which provides a framework for building customer loyalty. Each leg of the Loyalty Triangle© is then examined in-depth, including examples of how hotel companies use the Loyalty Triangle© to develop strategy. Next we present ways to measure the success of loyalty programs. Finally, we present future research issues.

Irene Samanta, (2009) Technological innovation and the growth of the internet as an electronic medium have led to the emergence of online travel distribution channels. The present research investigates the extent to which Greek hotels had developed the electronic customer relationship marketing (e-CRM). The study verifies the practices that frequently appear in relationship marketing process within online operations or whether their internet presence mainly depends on the basic actions of 'supplying information' and 'reservations'. Also, it investigates the effects of e-CRM system on customer loyalty and satisfaction as well as the impact of relationship marketing practices to customer retention and acquisition. They have understood the importance of using electronic channels instead of traditional ones to implement their marketing strategies. Thus, e-CRM system has assisted hotel business to manage more effectively their reservations and serve their customers as fast and as effective as possible. They did not seem to apply many of the relationship marketing strategies to emphasize customer retention and continual satisfaction because of difficulties in staff training.

Diana Luck, Geoff Lancaster, (2003) (E-CRM). Research is incorporated that investigated their use of the Internet to verify whether customer relationship marketing was being implemented within online operations or whether their Internet presence merely revolved around the basic functions of "providing information" and "hotel reservations". The findings and subsequent discussion showed that on the Internet, hotel groups used their relationship with customers to provide rather than gather information. The majority of the hotel groups had only embraced a few elements of E-CRM and even indicated that they did not intend to be lead online by the concept. Although the findings of the questionnaire indicated that hotel groups were generally aware of the potential of Web technologies and strategies, they also showed that companies were not putting this knowledge into practice when it came to implementing E-CRM. Primary research concluded that hotel groups based in the UK were failing to take advantage of the many opportunities identified through the secondary research.

George S. Day (2000) creates and maintains relationships with their most valuable customers are a durable basis for a competitive advantage. To keep this edge over rivals, who continually try to attract these customers away, a firm has to master the three elements of a market-relating capability. First, a relationship orientation must pervade the mind-set, values, and norms of the organization. Second, the firm must keep deepening its knowledge of these customers and putting it to work throughout the organization. Third, the key processes must be internally integrated and externally aligned with the corresponding processes of the firm's customers.

Focusing on underlying principles of the industry, the ways in which hospitality marketers make connections between their business and its consumers. With 50 real-life case studies illustrating the rights and wrongs of hospitality marketing's, and including chapters on relationship marketing and competitive analysis.

3. Research Objectives

The research aims to investigate the impact of customer relationship marketing the impact of customer relationship marketing by Aqaba Economic Zone "A case study of Five Stars Hotels. In addition to the following:
   1. To find the difference between organizational factor and CRM implementation.
   2. To identify if there is a significance difference between strategic factor and CRM implementation.
   3. To find the significance difference between cultural factor and CRM implementation.

4. Methodology of Research

4.1. Data analyses

In this research, the Statistical Package for the Social Sciences (SPSS) was used for data entry as well as for examining the data later. Data preparation was the initial step, which aimed to convert raw data into a more structured format that is more appropriate for analysis. Tasks in this stage included data editing, data coding and data entry. Descriptive statistics were used to summarize respondent's characteristics, including demographic information, such as age, gender; also, questions about the participating hotel's profile, such as the numbers of Customer were included. Furthermore, inferential statistics were used to test hypotheses to determine the relationship between variables. In particular, Pearson Correlation was used to verify the association of interval level to the construct, whilst Chi-square was used to validate the association between nominal variables and the construct. Moreover, the Cronbach coefficient alpha was used for reliability tests. Lastly, the variable analysis tool, analysis of variance (ANOVA), was used.

4.2. Hypothesis

H0: There is no significance difference between organizational factor and CRM implementation.
Ho: There is no significance difference between strategic factor and CRM implementation.
H0: There is no significance difference between cultural factor and CRM implementation.

Description of personal factors and functional respondents:
Table no. 1 shows a description of personal and functional factors of the sample individuals, as follows:

Gender: it is shown that 83.3% of the sample is male, and 16.7% is female.

Age range: it is shown that 38.7 % of the sample their age from 31 to 40 years and 29.3% between 21- 30 years, 14.0% between 51- 60 years, 9.3% between 41 to 50, and 8.7% less than 20 years.

Monthly income : the table shows that 33.3% of the sample their income between 501 -600JD, 26.7% more than 601JD, 26.0% less than 400JD, 14.0% between 401 – 500JD.

Experience: the table shows that 30.0% of the sample individuals their experience between 7-9 years, 27.3% more than 9 years, 25.3% between 4 – 6 years, 17.3% less than 3years.

Education: 52.0% of the sample study has Bachelors degree, and 26.0% of the sample has Masters degree, 13.3% has High School, 8.7% of the sample has Post Graduate degree.

Table 1. The frequencies and percentages of the personal levels of the respondents

Factor		Frequency	Percentage %
Gender	Male	500	83.3
	Female	100	16.7
Age	less than 20 year	52	8.7
	21- 30 years	176	29.3
	31 – 40 years	232	38.7
	41-50 years	56	9.3
	51 -60 years	84	14.0
Income	less than 400JD	156	26.0
	401- 500JD	84	14.0
	501- 600JD	200	33.3
	more than 601JD	160	26.7
experience	Less than2years	104	17.3
	3-5 years	156	25.3
	6 – 8 years	180	30.0
	more than 9	164	27.3
Education	High School	80	13.3
	Bachelors degree	312	52.0
	Masters degree	156	26.0
	Post Graduate degree	52	8.7

4.3. Stability of the Measure

The stability of the measure was tested using Cronbach's Alpha coefficient, it is shown from Table 2 that:

Alpha value related to items of strategic factor equals to 0.87.
Alpha value related to items of cultural factor equals to 0.84.
Alpha value related to items of organizational factor equals to 0.83.
Alpha value related to all items equals to 0.76.
All these values are greater than 0.60 which means that the measure is stable.

Table 2.The saturation of the paragraphs and results of Cronbach's Alpha Test

Item/ dimension	Saturation	Cronbach's alpha	Item/ dimension	saturation	Cronbach's alpha
1	915.		18	821.	
2	919.		19	805.	
3	920.		20	862.	
4	849.		21	824.	
5	751.		22	788.	0.84
6	600.		23	711.	
7	823.		24	916.	
8	853.		25	812.	
organizational factor		0.83	17	921.	
10	856.		**26**	721.	
11	728.		27	953.	
12	922.		28	888.	

Item/ dimension	Saturation	Cronbach's alpha	Item/ dimension	saturation	Cronbach's alpha
13	922.		29	784.	
14	834.		30	791.	
15	890.		31	897.	
cultural factor		0.83	17	921	0.76
strategic factor		0.87	32	764.	
16			Total		0.91

4.4. Validity of Instrument

The validity of the instrument was verified by using the Factorial Analysis to check the connection between the sentences and the dimension it is related to.

Table 1 shows the results of this analysis, where the saturation of all the items for each dimension were high, and >0.30 which is acceptable, this means that each item is related to the dimension it belongs to.

First hypothesis: There is no significance difference between organizational factor and CRM implementation.

Table 3 shows that all the items have an arithmetic means greater than 3.00 which means that they are statistically significant, That is, these things exist. Item (11) which measures how much the computer system plays on important role in managing customer information, ranked the first with a mean of 4.67. Item (8), which measures how much staffs have good working relationship with each other, was in the second rank with a mean of 4.65. The Item 4 which measures how much the hotel use specialized Customer Relationship Management (CRM) software to improve its ability to manage customers, ranked last in the items with a mean of 4.15.

4.5. Test of first hypothesis

The table shows that all grouped items have a mean of 4.48, and 0.00 p-value, which means that this hypothesis is rejected. Which means there is significance difference between organizational factor and CRM implementation?

Table 3. Arithmetic mean, standard deviations, t value, and P-Value of organizational factor

Item No	Item details	mean	Std. deviation	t-value	P-Value
1	Does staff exchange customer information with each other?	4.55	0.90	21.11	0.00
2	Your companies have a procedure on distribution customer information.	4.26	0.98	15.76	0.00
3	Your hotel use specialized Customer Relationship Management (CRM) software to manage customer.	4.21	1.09	13.63	0.00
4	Your hotel use specialized Customer Relationship Management (CRM) Software to improve its ability to manage customers.	4.15	0.91	15.47	0.00
5	To what extent do staffs have to follow guidelines to work together as a team	4.58	0.67	28.96	0.00
6	Hotel's staffs discuss with each other how to interact with customers	4.64	0.48	41.71	0.00
7	Do you follow a formal appraisal system to measure employee performance in customer service?	4.41	0.85	20.30	0.00
8	Staffs have good working relationship with each other.	4.65	0.48	42.41	0.00
9	We have clear instruction on how to handle customer complaints.	4.43	0.59	29.38	0.00
10	Staffs are satisfied with the way they are treated by the hotel.	4.36	0.80	20.42	0.00
11	Our computer system plays on important role in managing customer information.	4.67	0.57	35.74	0.00
12	I am capable of managing customers.	4.64	0.48	42.05	0.00
13	Do you have skills to managing customers?	4.63	0.48	42.05	0.00
14	Training staff in good customer relationship is essential to Hotel.	4.61	0.58	34.26	0.00
15	We have a written rule for everything.	4.35	0.89	18.60	0.00
	All grouped items	4.48	0.40	44.91	0.00

Second hypothesis: There is no significance difference between strategic factor and CRM implementation.

Table 4 shows that all the items have a arithmetic means greater than 3.00 which means that they are statistically significance, That is, these things exist. Item (25) which measure how much good relationship with customer will help the hotel to targeting and marketing, ranked the first with a mean of 4.74. Item (23), which measures how much Good relationship with customer will help the hotel to keeping customer from going to competitors, was in the second rank with a mean of 4.69. The Item (22) which measures how much the hotel has a clear rule on the budget for entertaining customers, ranked last in the items with a mean of 4.09.

4.6. Test of second hypothesis

The table shows that all grouped items have a mean of 4.49, and 0.00 p-value, which means that this hypothesis is rejected. Which means there is significance difference between strategic factor and CRM implementation?

Table 4. Arithmetic mean, standard deviations, t value, and P-Value of strategic factor

Item No	Item details	mean	Std. deviation	t-value	P-Value
16	We execute the hotel targets to improve the hotel's relationships with our customers.	4.55	0.67	28.36	0.00
17	We document details, which aim to improve relationship with customers.	4.33	0.72	22.67	0.00
18	We make use of information collected from customers in developing new Products/services.	4.48	0.74	24.52	0.00
19	We have a good understanding of the concept of Customer Relationship Management (CRM)	4.67	0.65	31.52	0.00
20	My hotel has a clear strategy on how to improve relationship with customers.	4.43	0.87	20.17	0.00
21	My hotel has established its operational process on customer needs.	4.24	0.68	22.26	0.00
22	Our hotel has a clear rule on the budget for entertaining customers.	4.09	0.94	14.30	0.00
23	Good relationship with customer will help the hotel to keeping customer from going to competitors.	4.69	0.55	37.37	0.00
24	Good relationship with customer will help the hotel to Development of Product/Service.	4.65	0.57	35.43	0.00
25	Good relationship with customer will help the hotel to Targeting and marketing.	4.74	0.54	39.73	0.00
	All grouped items	4.49	0.47	39.01	0.00

Third hypothesis: There is no significance difference between cultural factor and CRM implementation.

Table 5 shows that all the items have an arithmetic means greater than 3.00 which means that they are statistically significant, That is, these things exist. Item (29) which measure how networking is important to the hotel, ranked the first with a mean of 4.50. Item (27), which measures how much staffs interact with customers, was in the second rank with a mean of 4.49. The Item (30) which measures how much language is easy to serving my customers, ranked last in the items with a mean of 4.27.

4.7. Test of Third hypothesis

The table shows that all grouped items have a mean of 4.41, and 0.00 p-values, which means that this hypothesis is rejected. Which means there is significance difference between cultural factor and CRM implementation.

Table 5. Arithmetic mean, standard deviations, t value, and P-Value of cultural factor

Item No	Item details	mean	Std. deviation	t-value	P-Value
26	Do staffs use their connections with customers?	4.39	0.73	23.32	0.00
27	Do staffs interact with customers?	4.49	0.74	24.73	0.00
28	Staff keeping long-term relationship with customers	4.37	0.79	21.21	0.00
29	Networking is important to your hotel.	4.50	0.50	36.62	0.00
30	Language is easy to serving my customers.	4.27	0.45	34.88	0.00
31	Do you like to establish relationship with customers?	4.38	0.78	21.59	0.00
32	Problems are easier to resolve when customers are contracted by telephone, rather than face-to-face.	4.48	0.71	25.47	0.00
	All grouped items	4.41	0.51	33.69	0.00

5. Results

1. There is significance difference between organizational factor and CRM implementation. Where staff exchange customer information with each other, the companies have a procedure on distribution customer information, the hotel use specialized Customer Relationship Management (CRM) software to manage customer, the hotel use specialized Customer Relationship Management (CRM) Software to improve its ability to manage customers, extent do staffs have to follow guidelines to work together as a team, hotel's staffs discuss with each other how to interact with customers, staffs have good working relationship with each other, there clear instruction on how to handle customer complaints, staffs are satisfied with the way they are treated by the hotel, the computer system plays on important role in managing customer information , staff capable of managing customers , staff skills to managing customers, training staff in good customer relationship is essential to Hotel , staff have a written rule for everything.

2. There is significance difference between strategic factor and CRM implementation. where execute the hotel targets to improve the hotel's relationships with the customers, the hotel document details, which aim to improve relationship with customers, make use of information collected from customers in developing new Products/services, staffs have a good understanding of the concept of Customer Relationship Management (CRM), the hotel has a clear strategy on how to improve relationship with customers, the hotel has established its operational process on customer needs, hotel has a clear rule on the budget for entertaining customers, good relationship with customer will help the hotel to keeping customer from going to competitors and to Development of Product/Service and to Targeting and marketing.

3. There is significance difference between cultural factor and CRM implementation. Where staffs use their connections with customers and interact with customers and keeping long-term relationship with customers, networking is important to hotel, language is easy to serving customers, staffs like to establish relationship with customers, problems are easier to resolve when customers are contracted by telephone, rather than face-to-face.

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