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Impact of Customer Relationship Management and Customer Loyalty in Hotel Industry in Lumbini Nepal

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Abstract

This paper aims to analyze whether the Customer loyalty have significant effect on Customer relationship management in Lumbini Nepal. A convenient sample of 148 respondents approaching self-administered questionnaires survey from different locations in lumbini has been conducted. Regression analysis was used to explore the relationship between independent variables (Customer loyalty) and dependent variable i.e Customer relationship management. The results reveal that Customer loyalty has positive effect to determine the Customer relationship management in Nepal.

Key words: Customer Relationship Management and Customer Loyalty

1.1 Introduction

Because of Globalization, Liberalization, Privatization advertisers zeroed in on customary method of showcasing to fragment and obtain free clients from its objective portions, utilizing the instruments and procedures created for mass promoting in the modern time, as a method for inducing development. In the serious conditions this gives profoundly in compelling. There is an alternate way to deal with business that includes relationship advertising where the client is at the focal point of all business action and the association is the way frantically attempting to rebuild their cycles around the requirements of their decisively critical clients. The dynamic of the business biological system have changed the manner by which the organizations and business both are in relationship the board and the smoothing out of their activities. Relationship promoting is arising as the center showcasing exercises for business working in furiously cutthroat conditions. In normal business, burn through multiple times more to secure new clients then to keep them. The great finance managers have consistently perceived the connection between glad clients that return over and over and making long haul reasonable productivity, Therefore, many firms are presently focusing harder on their relationship with existing clients to hold them and increment their

portion of clients' buys. The act of relationship promoting likewise can possibly further develop showcasing usefulness through further developed advertising efficiencies and adequacy (Mukesh Chaturvedi, Abhinav Chaturvedi, 2005).

Customer relationship management (CRM) alludes to the standards, practices, and rules that an association keeps while collaborating with its clients. According to the association's perspective, this whole relationship envelops direct collaborations with clients, for example, deals and administration related cycles, estimating, and the investigation of client patterns and practices. Eventually, CRM serves to upgrade the client's general insight. alludes to the practices, procedures and innovations that organizations use to make due, record and assess client communications to drive deals development by extending and improving associations with their client bases. Customer relationship management (CRM) is a term that alludes to practices, procedures and innovations that organizations use to oversee and investigate client collaborations and information all through the client lifecycle, with the objective of further developing business associations with clients, aiding client maintenance and driving deals development. CRM frameworks are intended to gather data on clients across various channels or resources between the client and the organization which could incorporate the organization's site, phone, live talk, standard mail, showcasing materials and online media. CRM frameworks can likewise give client confronting staff gritty data on clients' individual data, buy history, purchasing inclinations and concerns.

Loyalty has become significant in the course of recent years as a result of the expanded rivalry inside separate businesses. Organizations construe "faithfulness" to have a comparable significance and have created key promoting and publicizing endeavors around making an association between the organization and its clients. The cordiality business, the quantity of convenience decisions from which clients can pick can't be any more evident. In understanding the continuous seriousness that is to happen the business, numerous lodging enterprises have moved their concentration to relationship showcasing, especially through the idea of reliability and expanded bartering power buyers are acquiring, inn organizations understand the way in to their prosperity will be to cultivate vital relationship showcasing

endeavors, especially through the utilization of faithfulness measures. As a hotelier in the business, it is essential to offer items or administrations that empower manageability in the business. Simultaneously, it is essential to be learned of the visitors who disparage your hotel(s). Knowing their requirements and requests, and using this data for item or administration execution purposes, will go towards long haul maintainability and devotion creation endeavors. It is additionally essential to concentrate completely on the effectiveness of the offices and administrations gave.

1.2 Objectives of the Study

- To study the socio- economic profile of hotel customers and their hotel visiting details
- To study about the customer relationship management practices in hotel industry.
- To identify the factors influencing customer relationship management practices in hotel industry.
- To study the loyalty among the hotel customers in the study area.

1.3 Hypothesis of the study

- There is no significant effect of customer relationship management on customer loyalty

CHAPTER II

REVIEW OF LITERATURE

2.1 CUSTOMER RELATIONSHIP MANAGEMENT

The Main point of relationship Management is to set up, Maintain and upgrade relationship with clients and different gatherings at a benefit such the goals of the gatherings included are met. Coming up next are the Review related to client relationship advertising.

Jay Kandampully and Dwi Suhartanto (2003) have demonstrated that in picture and consumer loyalty with the presentation of housekeeping, gathering, food, drink and cost are decidedly related to client steadfastness. The Performance of housekeeping, be that as it may, was viewed as one of the most significant contemplations for clients of inn networks.

Constantinos Stefanou J., Chrisotos Sarmaniotis, Amalia Stafyla,(2003) have researched the degree of the utilization of client – and market-related information the executives instruments and client relationship the board frameworks by Greek association and their relationship with segment and hierarchical factors, additionally examined whether endeavors methodically do consumer loyalty and griping conduct research and to analyzed the effect of the kind of the

data framework utilized and director's perspectives towards client KM rehearses. It is discovered that the study showed that with regards to half of the associations of the example don't take on any CRM Theory. The leftover association utilize instrument to lead client fulfillment and other client related exploration. Anyway as per the proposed model, they are situated in the primary, the fundamental CRM improvement stage. It is likewise recommended that supervisors hold uplifting perspectives towards CRM and that there is no critical connection between the kind of the conditional data framework utilized and reach out to which consumer loyalty research is performed by the associations.

Leo sin Y.M., Alan. Tse C.B., Frederick Yim H.M., (2005) have fostered a dependable and legitimate estimating scale for client relationship the board (CRM). The information were gathered from 641 business leaders. The results demonstrated that a solid and substantial scale was created to quantify the four aspects of CRM: key client center, CRM association, information the executives and innovation based CRM.

MarkXu, Jhon Walton, (2005) have analyzed how client relationship the executives (CRM) framework is carried out practically speaking with a concentration on the essential application. Technique the current assuming that CRM application is in view of analyzing information revealed from a four-year overview of CRM application in the UK and advancement of CRM insightful capacity given by 20 driving programming merchants. It is discovered that current CRM framework is functional applications, for example, call focus. The use of scientific CRM has been low; also the arrangement of these frameworks is restricted to a couple of driving programming merchants.

Shai Danziger, Aviad Israeli, Michal Bekerman (2006) proposed that repetition in the worth of the two credits for market value expectations. Significantly, the exhibition of center level lodging administrators' and inn the board college understudies was undefined on most measures put something aside for starting trust in their value gauges.

Rasoul Asgarpour, Abu Bakar Abdul Hamid, Bahaedin Mousavi, Majid Jamshidi (2006) has observed that resentment of having practically complete point of view and comprehension of client faithfulness, there is as yet a hole in the principle points of reference of client devotion

hypothetically and experimentally. In such manner, more examination needed to determine the main points of reference which have huge effect on client dedication.

Mosad Zineldin (2006) has demonstrated that Changing in quality over the long haul inside different sections or identified with explicit items or classes of items/administrations can be utilized as an Indicator the degree of faithfulness. By connecting framework, cooperation and climate pointers to the nature of item and cycles, analysts and directors can archive which changes in CRM technique work on the general fulfillment and unwaveringness, henceforth a definitive result.

2.2 CUSTOMER LOYALTY:

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

Pardis Mohajerani, Alireza Miremadi (2013) results demonstrated that there was a huge contrast between two points of view (lodging administrators and clients) in generally successful variables of consumer loyalty and its results. As indicated by the other objective the scientist discovered that there is no critical contrast in consumer loyalty among guys and females.

Meera Arora (2013) has analyzed to job of administration quality in growing long haul relationship with clients. The information were gathered from 262 versatile clients of Indian telecom industry. The outcome showed that relapse connection between client reliability and administration quality introduced high extent of clarified fluctuation as the worth of R square (0.591) and changed R square (0.501) are viewed as genuinely huge. Further normalized co-effective of beta of numerous relapse investigation demonstrated that among the quality

factors, dependability best predicts client steadfastness followed by confirmation and responsiveness. Minimal indicator of client devotion is intangibles.

Aggrey Leonard Mwachala Mwangeka, Mjomba Majalia L., Omindo Karim H., Veronica Nyatichi (2014) showed that reception of various techniques impacted client maintenance in the lodging business in various ways. It is discovered that cost has less impact on the client stay expectations in lodgings of three starting or more. Administration quality, inn picture and innovation usage had a critical effect on client. Proposals gave that there is need to inns to be inventive and adjust to techniques that will make them cutthroat in this way holding their faithful clients.

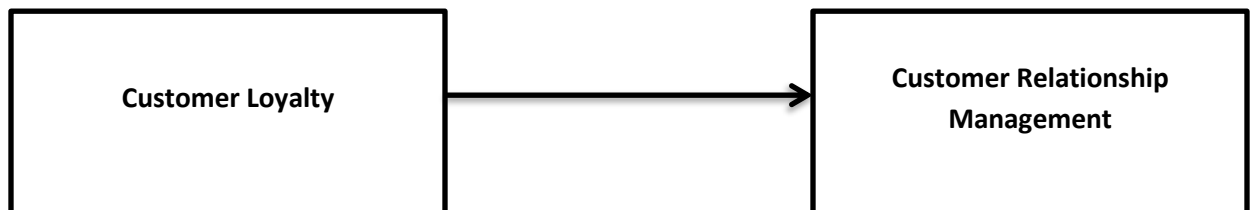
Hamad Saleem, Naintara Sarfraz Raja (2014) recommended that high nature of administrations help up the consumer loyalty and afterward a short time later this fulfillment will fortify the client dedication, our outcomes likewise coordinated with Last however not the most un-solid client unwaveringness straightforwardly identified with solid brand Picture.

Consumer loyalty assumes the part of an arbiter in the impacts of administration quality on assistance dependability. Client relationship the board might support the client be steadfast and make them to buy constantly and furthermore support their companions and family members to utilize that item dependent on the powerful administration given by the association. Client direction is the acknowledgment that clients are a business resource that when overseen viably jars determine ceaseless and manageable financial an incentive for an association over their lifetime.

2.2 Theoretical Framework

Independent variable

Dependent Variable



Methodology

Research design

Research design is an arrangement, system and procedure to accomplish the examination targets. This examination depends on essential information thus; Descriptive Research Design will assist with distinguishing. Impact of Customer relationship management the executives and Customer Loyalty in hotel industry in Lumbini Nepal.

Population of study

Populations consist of star hotels ranking from one star to five star and others. The following table indicates distribution of star hotels in Lumbini.

Star Hotel	No. of Hotels One
One Star	30
Two Stars	15
Three Stars	4

Four Stars	5
Five stars	5

Sample Size:

Sample size consisting of 150 customers of hotel industry in Butwal city

Sampling Technique:

Convenient sampling is used to conduct this research. Convenient sampling technique is characterized as a strategy took on by scientists where they gather statistical surveying information from a helpfully accessible pool of respondents. It is the most ordinarily utilized inspecting method as its staggeringly quick, straightforward, and conservative. By and large, individuals are promptly receptive to be a piece of the example.

Nature and sources of Data:

The information assortment is Quantitative which is to be investigated by utilizing Questionnaire and auxiliary information assortment. Members incorporate from different understudies. The essential information has been gathered by fostering a survey and auxiliary information through internet based sites, diaries article and other important sources.

Primary data: The primary data collection technique was used to collect data using a self-administered questionnaire. The Questionnaire titled “Impact of customer relationship management and customer loyalty in hotel industry in Lumbini Nepal.” was circulated through Google structure and sending Mails or through Facebook to nearby inhabitants in Nepal and Secondary data was utilized to gather information from distributed and unpublished source. Distributed well springs of information were gathered from course books, articles relating to the subject, papers and so on.

Questionnaire Design

After reviewing national and international literature the researcher identified predominant gap this gap is useful to design the questionnaires. It consists of three parts the first part details with personal variable of hotel customers. The second part enumerates the CRM practices in the star hotels and the third part aim at ascertaining customer loyalty towards hotels. The quality consists of both optional type and likerts five points scale statements. The five points range scale from strongly agree and strongly disagree

Tools for data collection

For estimating different peculiarities and breaking down the gathered information adequately and effectively to make sound determination, information will be investigated measurably utilizing Microsoft dominate and Statistical Package for Social Science (SPSS). The consequences of the examination are introduced in type of table, diagrams and outlines for understanding. Cornbrash's Alpha will be determined to guarantee the unwavering quality and legitimacy of the survey. ANOVA and different relapse will be utilized for the inferential examination proposes.

Table 2 Demographic profile

Demographic variables	Frequency	Percentage
Gender		
Female	195	67.7
Male	93	32.3
Total	288	100.0
Education		
SLC/SEE	2	7
Undergraduate	45	15.6
Graduate	161	55.9

Master level	66	22.9
Total	288	100.0
Occupation		
Student	87	30.2
Job holder	93	32.3
Unemployed	4	1.4
Business	94	32.6
Other	10	3.5
Total	288	100.0

The table 1 portrays the segment profile of the responde

nts which remembers data for Gender, Education, Occupation, highlights and Information. As the Gender of respondents is concerned, 67.7% is female and 32.3% is male. Schooling savvy, SIC/see, undergrad, graduate, aces level respondents are 0.7%, 15.6%, 55.9%, 22.9% individually. Occupation insightful understudy, work holder, un-utilized, business, others respondents are 30.2%, 32.3%, 1.4%, 32.6%, 3.5% individually.

Table 2. Which hotel you trying to stay

	Frequenc y	Percent
Valid 2 star	26	17.4
3 star	94	63.1
4 star	28	18.8
Total	148	99.3

Table 2 indicates the intension of stars hotel in which customers wanted to say. From above table it seems that most customers wanted to stay in 3 star hotels in Lumbini Area by 94%. Likewise 28% and 26% Nepali customer wanted to stay in 4 stars and 2star respectively.

Table 3. How did you get the information about this hotel?

	Frequency	Percent
Valid Friends and relatives	31	20.8
Internet	15	10.1
Books and guides	15	10.1
Travel agency	58	38.9
Fairs/Exhibitions	15	10.1
Part of travel package	14	9.4

From the above table 3 it is found that 38.9% of the customers receive information about the existence of the hotel from Travel agency, 20.8% from Friends and relatives, 10.1% from Internet, 10.1 % from books and guides, 10.1 % from fairs and exhibitions and 9.4% from part of travel package.

Table 4. Nature of room occupied

	Frequency	Percent
Valid Single	46	30.9
Deluxe	88	59.1
Suite	14	9.4

It is found from the above table that 59.1% of the customers select deluxe rooms for the stay in the hotels, 30.9% select single rooms, 9.4% select Suite rooms.

Table 5 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.861	.871	12

The reliability of used measurement scales were tested using Cronbach's alpha coefficient. The overall reliability of the response on 2 variables has been tested by using Cronbach's alpha. Cronbach's alpha of all 2 variables Customer relationship management, Customer loyalty, which is .861 which is acceptable and it indicates that the internal consistency of variables is good. (Cortina, 1993).

Table 6 Pearson Correlation

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Based on table 6, it has shown that the correlation matrix for the two examined variables which are Customer relationship management, Customer loyalty. In this Customer relationship management has shown positive relationship with $r = 1$ at 0.05 level of significance. Next it was followed by Customer loyalty which seems to have positive relationship with value of r as 0.331.

Statements Variables		Customer relationship management	Customer loyalty
Pearson Correlation	Customer relationship management	1.000	.331
	Customer loyalty	.331	1.000

Table 7 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2630.819	4	657.705	119.928	.000^b
Residual	2045.586	373	5.484		
Total	4676.405	377			

a. Dependent Variable: Customer relationship management

b. Predictors: (Constant), Customer loyalty

Based on the ANOVA Table 7 the F value is proven to be significant at 119.928. The overall regression model with Customer loyalty and Customer relationship management.

Table 8 Coefficient

The regression model is fit at 5% level of significance. Also R square value of 0.563 indicates that 56.3 percent variation in Customer relationship management is explained by Customer loyalty. Results of the regression indicate that the Customer relationship management to a large scale is dependent on Customer loyalty.

The regression coefficient of Customer relationship management, Customer loyalty is 0.139 which means that the c will increase 0.139 units when Customer loyalty increased 1 unit while other thing remains same.

CONCLUSION

In this way it is closed from the above concentrate on that CRM is an idea in regards to how an inn can keep their most significant clients and simultaneously diminish costs, increment the upsides of connection to thusly boost the benefits. The genuine worth to the lodging lies in the worth they make for their clients and in the worth the client's conveys back to the inn. The worth lies in the client information and how the lodging utilizes that information to deal with their client connections.

Model	Unstandardized Coefficients	Standardized Coefficients	Standardized Coefficients	t	Sig.
r	B	Std.Error	Beta		
(Constant)	7.758	.959		8.091	.000
Product	.139	.052	.102	2.669	.008

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