

Impacts of Customer Relationship Management Implementation on Customer Satisfaction in Hotels: Case of a Budget Hotel Chain in the UK

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Abstract

Customer Relationship Management (CRM) is a successful marketing strategy that has been proven to improve customer satisfaction and retention in the hotel business. CRM can bring many benefits to the hotel business, though there are some associated challenges such as the implementation process, which can prove to be time consuming, expensive, and complex in nature. Such challenges often bring a significant risk of failure, and these risks become more significant in budget hotels, due to inadequate supporting budgets and the lack of strong branding and loyalty schemes. This study considers the changes that have emerged in the last decade as regards customer expectations when staying in budget hotels. We use qualitative approaches to investigate the overlaps between customer expectations and managers' perceptions of CRM applications. The findings reveal that regardless of all changes, value for money and core products continue play a critical role in customers' overall satisfaction of budget hotels. This suggests there is a need to align management and customer perspectives on CRM, in order to optimize customer value in terms of delivery and experience.

Keywords: Customer Relationship Management (CRM), Customer Satisfaction, Satisfaction Criteria, Customer Expectation and Budget Hotels.

Introduction

Customer Relationship Management (CRM) is based on the principles of Relationship Marketing (RM), a developing area of modern day marketing (Sheth and Parvatiyar, 2000;

Hung et al., 2010). This was brought to the attention of hotel managers in the early 1990s, as a result of hotels gathering information on their customers based on preferences and requirements. This information was used to increase the likelihood of customer satisfaction and retention (Dyche, 2002). Peppers and Rogers (1993) proposed that in future, businesses would not try to sell a single product to many customers, but would instead try to sell many products to a single customer over an extended period of time. This approach paved the way for the transition from RM to a new approach, known as CRM. The CRM approach concentrates on building unique relationships with individual customers on a one-to-one basis, in order to secure and manage long-term relationships (Zablah et al., 2004).

Nowadays, hotel businesses face an increasingly competitive market, and there is a greater need to offer a range of differing products and services to a diverse customer base. CRM has therefore become a strategic imperative, enabling hotels to customise their offerings for each customer to suit individual tastes and to facilitate the processing of customer orders (Feinburg et al., 2002; Mithas et al., 2005; Meyer and Schwager, 2007). Hotels can collect and integrate significant amounts of customer information through different channels and guest cycles. Consequently, CRM can be viewed as an opportunity for hotels to use this information to improve both the quality of their services and their relationship with customers (Kasin and Minai, 2009), leading to greater levels of customer satisfaction and retention. Within just a few years, the CRM strategy has attracted the interest of luxury and business hotels. Perhaps more revealingly, budget hotels have started to consider the benefits of applying certain CRM functions with the aim of retaining their customer base (Blankson and Stokes, 2002).

Budget hotel customers attach more importance to value for money than to loyalty, recognition, and customized services (Luck and Lancaster, 2013; Brotherton, 2004; Hua et al., 2009). Nasution and Mavondo (2008) emphasise the responsibility of hoteliers to provide superior customer services, but service provision can be viewed from two different perspectives, that of the service provider and that of the customer. It is to be expected that these perspectives will differ. CRM applications are time consuming, expensive, and carry a significant risk of failure (Bose, 2002), and these challenges are more significant for budget hotels (Moriarty et al., 2008), which do not have the supporting budgets (Ozgener and Iraz, 2006) or the strong branding and loyalty schemes characteristic of large hotels (Imrie and Fyall, 2000). Given these challenges, it is clear, based on a literature review, that there has been insufficient research into the actual impact of CRM implementations on customer

satisfaction for budget hotels (Brothern, 2004; Luck and Lancaster, 2013). The current study will attempt to address this gap, and to investigate the potential overlaps between customer satisfaction criteria (the customers' point of view) and CRM implementation outcomes (the managers' point of view), focusing on the case of a budget hotel in the UK. This is the first ever study to investigate this impact from both perspectives.

Literature Review

Although CRM has been debated in studies focusing on various industries over the past two decades (Croteau and Li, 2003; Sigala, 2005), many disagreements remain with regard to its definition. Some of these studies relate it to the acquisition and long-term retention of customers (Ling and Yen, 2001), while others consider it a business strategy that provides seamless integration of every area of business that touches the customer (Sathish et al., 2002). According to Payne (2006), CRM is a business and marketing strategy that integrates technology, processes and business activities around the customer. Some further studies have explored CRM in terms of the opportunities it provides for profit maximization, for instance through attracting and retaining "economically valuable" customers while getting rid of "economically invaluable" ones (Pan and Lee, 2003). Bradshaw and Brash (2001) consider CRM to be a management approach that enables organisations to identify, attract, and increase the retention of profitable customers by managing relationships with them.

Marketing, management and information systems researchers made a range of attempts to define CRM from three diverse perspectives of *Philosophy, Strategy and Technological Solution*. Ryals and Knox, (2001:535) and Zablah et al., (2004:478) defined CRM within the frame of Business Philosophy. Karakostas et al., (2005:854), Parvatiyar and Sheth, (2000:4) and Tarokh and Ghahremanloo (2007:2) defined CRM as a business strategic approach. Bose (2002:89) and Campbell (2003:375) and Zablah et al., (2004:479) defined CRM as an enterprise-wide integration of technologies working together, such as data warehouse, web site, intranet/extranet, phone support system accounting, sales, marketing, and production. Rababah et al., (2010:223) proposed that that the best CRM definition would include all these perspectives within a comprehensive view. Accordingly, they defined CRM as "*the building of a customer-oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both organisations and customers*". This definition is used for the purpose of the present study.

CRM Benefits and Customer Value

Effective CRM implementation can bring many tangible and intangible benefits to businesses. For instance, Xu and Walton (2005) mention the following major benefits of implementing CRM: improving customer satisfaction, retaining existing customers, providing strategic information, and improving customer lifetime value. Gummerson (1994) observed that CRM could build and sustain long-term relationships with customers, which is a key issue for enterprises in terms of reaching and maintaining market share and in improving customer retention and profits. Ryalts and Knox (2001) found that CRM applications could reduce operational costs, improve profitability/service delivery, and enhance customer satisfaction, retention, and loyalty. They also note that CRM projects could help enterprises to gain a competitive edge in the market by enabling the provision of differentiated products and unparalleled services. Though CRM applications aim to enhance service quality and value, it is important to note that determining value is intrinsically linked with customer perceptions, and that there is a need to mirror its benefits with customer expectations. Liou (2009) stated that with ever-increasing competition for market dominance, many firms have made use of the CRM system to improve business intelligence and decision-making, to enhance customer relations and to increase the quality of services and product offerings, resulting in increasing and sustained levels of profitability.

CRM in Hotels

In a highly competitive environment, hotel businesses have understood the need to improve the quality of their services in order to retain existing customers while at the same time attempting to attract new segments (Lu and Wu, 2012). Olsen and Connolly (2000) also report that one of the key factors of success for hotel businesses is not only the quality of their products or services, but also the quality and importance of customer relationships. In hotels, CRM applications have a strong focus on identifying and retaining the most profitable customers and improving the profitability of less profitable customers (Wang and Feng, 2012). It has been proven that hotel businesses that have established CRM receive greater benefits as a result of finding and retaining the most attractive customers in terms of profitability and developing long-term relationships with them (Sigala, 2005; Liu, 2007; Lu and Wu, 2012). Luck and Lancaster (2013) note that CRM plays a critical role in the hotel industry, in particular for chains of hotels operating nationally, worldwide, or through international partnerships

Consequently, CRM has become a much debated topic in the hotel industry (Lu and Wu, 2012), and has gradually been applied by hotel businesses in order to increase profits and improve the relationship between enterprises and customers (Liu, 2007). Investigating the impact of CRM implementation on hotel performance, Lin and Su (2003) and Daghfous and Barkhi (2009) both propose that CRM application offers a great opportunity for hotel businesses to improve their performance in terms of customer lifetime value, customer satisfaction, and profit. Furthermore, Lo et al. (2010) emphasize the vital role that CRM plays in bringing about the hotel's main objectives of customer satisfaction and retention. This can result in positive reviews, which can in turn lead to increases in customer retention and revenue. CRM applications help to anticipate the needs of a hotel's current and potential customers and to optimise revenue by providing optimum customer satisfaction (Brown, 1999).

CRM in Budget Hotels

The budget hotel industry has been expanding rapidly over the past twenty years. According to Segal (2014) and according to a recently published Mintel report, the budget hotel sector is the fastest growing and largest area within the United Kingdom hotel business. While there are budget hotel chains located in continental Europe, their influence and prevalence within the travel and tourism industries, excepting Germany and France, are less significant than in the United Kingdom. In the US, the budget hotel dates back to the 1920s (Shen, 2006). The term "budget hotel" has developed and is now used worldwide. However, while the terms "budget," "limited service" and "economy" are used interchangeably across the hospitality industry, there exists no standardized or even widely accepted definition of this segment (Roper and Carmouche, 1989; Senior and Morphew, 1990).

According to Roper and Carmouche (1989), the term "budget hotel" mainly describes a variety of accommodation types offering rooms at a proportionately lower rate than the industry norms, where facilities and services often differ both in extent and type from those defined as common to traditional full-service hotels. Daniel (1989) mentions that customers who choose budget hotels could be classified as individuals who travel for business, pleasure, and personal reasons, and who do not expect conventional accommodation. However, the current business environment, with its variety of marketing propositions, changes the taste of travellers, and makes them more price sensitive, less brand loyal, and more sophisticated (Sigala, 2005). Most customers may prefer to cut costs and look for something better than

mere old-style bed and breakfast accommodation (Hua et al., 2009). Changing customer expectations and increasing market competition in the budget hotel category has drawn managers' attention to the importance of customer satisfaction and retention. Imrie and Fyall (2000) reveal that satisfying customer requirements, attaining loyal customers, and limiting switching are the key factors for budget hotel success in the UK.

According to Zinekin (1999), all hotels offer almost the same core product/services, hence the differentiation of their products from those of their competitor via the implementation of CRM is likely to have a strong impact on the development of customer satisfaction, long-term customer relationships, and retention, which will result in greater profit. Daghfous and Barkhi, (2009) observe that customer service is widely recognized as one of the main ways in which a hotel can differentiate itself from its competitors. Luck and Lancaster (2013) mention that in spite of hotels being differentiated by their star rating, they tend to offer more or less the same core products and services: accommodation surrounded by a range of food and beverage services. Despite this, hotel companies have repeatedly attempted to differentiate their offerings. A CRM strategy that considers the customer's needs and places these at the centre of the business has become a popular marketing strategy among budget hotels, and has been adopted by a wide variety of chains and independent budget hotels around the globe, in an effort to enhance customer satisfaction and retention (Padilla-Meléndez and Garrido-Moreno, 2013; Schweisberger and Chatterjee; 2002). Within the budget hotel sector, customers attach more importance to value for money in gaining satisfaction than to loyalty, recognition, or customized services (Luck and Lancaster, 2013; Brotherton, 2004; Hua et al., 2009). The current study investigates the potential overlap between customer satisfaction criteria and the CRM outcomes that managers believe can lead to customer satisfaction. The aim of the study is consistent with Tsang and Qu (2000) who note that the perceptions of tourists and hotel managers in the hotel industry differ, due to differences in expectations of service quality.

Methodology

A chain budget hotel from the UK was selected as a case study. The budget hotel started its CRM strategy towards greater customer-centricity in 2003, using software packages, Business Process Reengineering (BPR), and organizational culture changes. While most previous studies have tried to investigate the impact of CRM on customer satisfaction via quantitative approaches (Feinberg, and Kadam, 2002), the current study was conducted using a qualitative approach and the techniques of semi-structured interviews (Wengraf, 2001) and

content analysis (Neuendorf, 2002). The methodology was employed in two sequential phases. In the first phase, 12 interviews were conducted with the managers of six branches. Interview appointments were arranged by Human Resource Departments between May and June 2013. The selection of the respondents was based, firstly, on their availability, as May and June is a high season and a busy time for managers. Secondly, more knowledgeable managers were preferred, in terms of the level of their knowledge of both the CRM project and the company. Interviews lasted from a minimum of half an hour up to a maximum of one hour. A mini voice-recording device was used to record the interviews. For ethical reasons, all interviewees were informed of the presence of the device and asked whether they were comfortable with it. Managers were asked about CRM implementation processes and what they thought were the causes of customer satisfaction. There were a total of 12 interviews, as this was the data saturation point (Bogdan and Biklen, 1982). Table 1 provides the descriptive information provided by the respondents.

Table 1 – Profile of the respondents

Interviews	Branches	Occupation	Experience
Interview 1	Branch A	Human Resource Manager	13 years
Interview 2	Branch A	Food and Beverage Manager	4 years
Interview 3	Branch B	Duty Manager	9 years
Interview 4	Branch B	Sale Manager	4 years
Interview 5	Branch C	General Manager	12 years
Interview 6	Branch C	Food and beverage Manager	4 years
Interview 7	Branch D	Sale Manager	2 years
Interview 8	Branch D	Human Resource Manager	3 years
Interview 9	Branch E	General Deputy Manager	4 years
Interview 10	Branch E	Maintenance Manager	9 Month
Interview 11	Branch F	Deputy Manager	3 years
Interview 12	Branch F	Housekeeping Manager	1 year

The recorded conversations were fully transcribed by the researchers after each interview. The first step involved exploring and becoming familiar with the data by reading the transcripts. Then, a deductive theory via thematic analyses was used (Thorpe and Holt, 2008; King, 2004), and CRM outcomes with a potential impact on customer satisfaction were used to design a template for a content analysis of the second phase (Table 2).

The second phase aimed to identify customer satisfaction criteria. Due to the policy of the selected chain hotel, interviews with customers were not allowed. Hence, a total number of 525 customer comments were gathered from six branches, from May to June 2013. Comments were collected via regular feedback emails that the company sent out to its guests

after their stay. To ensure consistency, the comments were collected from the branches where the interviews had taken place. As the main focus of this study was customer satisfaction, the collected comments were scanned, and the negative and neutral comments were eliminated. 220 positive comments were selected. The comments were content analysed via the emerged template from the interviews, in order to look for possible overlaps (Christensen and Olson, 2002). In another words, the designed template (King, 2004) was used as the checklist for content analysing the comments (Kazeminia et al., 2013). Overlapped comments were extracted and the related codes were counted, based on the number of times they appeared. The higher the code mentioned, the better customers considered it as a satisfaction criterion.

Interview Results

All managers agreed that the CRM strategy of putting customer needs at the centre of the business played a critical role in customer satisfaction and retention. The company CRM programmes were designed to cover all services and facilities offered, in three sequential phases: *a) Pre-Stay*, *b) During-Stay* and *c) After-Stay*.

a) Pre-Stay Phase: This phase aims to make the reservation and check-in process quick, unique, and efficient. Reservations can be made through the company's website, travel agencies or booking websites. The mobile application was also designed to make the reservation process efficient and flexible. During the reservation process, all customers have the opportunity to include enquires and preferences. During this phase, before the customers' arrival, the reservation team starts to customize products and services based on the customers' requests. One manager noted that:

Every Wednesday, the reservation manager will spend around 3 hours allocating the rooms and preparing services. When we have customers with a preference for one specific food, we prepare the main dish based on this, which could be gluten free, halal food, or vegetarian, it could also be a preference for a newspaper, flowers, a pillow, drinks etc. We have to allocate people to the correct rooms based on what they want or why they are here. If the customer is here to watch a football match and then have some beer, this indicates that they will return at around 3-4 am and be a bit noisy as well. So, you give them accommodation in part of the hotel that is separate from other rooms, so that they won't disturb

other guests. We want to be sure that customers are on the right floor, with the right services, and that we give them everything they need and have asked for.

The switch from Fidelio software to Opera was mentioned by the managers as one action taken during the CRM project to make the check-in process efficient and quick, and to avoid having to wait in a queue. During check-in, a unique profile is created for all customers, to allow them to list their preferences. This profile is retained for their future stays.

b) During-Stay Phase: This phase is based on the philosophy of customers first. During their stay, customers are provided with customized products and services. This is mostly facilitated with the help of CRM software that provides staff with related information in order to personalize services (room services/food and beverage). One of the managers reported that:

We have a list of preferences from our customers and we know what they want, so we try to provide them with those preferences.

Managers claim that as a part of CRM strategy, organisational changes take place and customer satisfaction becomes the main part of a staff member's job description. All staff members are trained to develop their communication skills. They are encouraged to communicate with customers and to provide a good atmosphere and a pleasant stay. All members of staff should be friendly and approachable in all their interactions, and the smile is the theme of the hotel. One of the managers indicates that:

During the stay we engage with people, we talk to them and ask whether they have enjoyed their stay or if they need anything. It is about knowing customers, and members of staff are encouraged to build relationships with customers and to get to know them on a personal and professional level, so that we can anticipate their needs and their wants, such as particular places to sit or a particular drink.

As part of the CRM programme, all members of staff are also empowered to deal with customers' requests. Empowering staff allows them to deal with customer complains without wasting time, which results in more efficient problem-solving and greater customer satisfaction. One of the managers said that:

For example, if someone makes a complain about their food in the restaurant, staff will try to solve the problem for customer satisfaction, and if they cannot solve it at that level, they will call the duty manager for help; but they are empowered to give discounts, free desserts, or refunds.

The check-out process is also designed to be quick and efficient.

c) After-Stay Phase: This phase includes two parts: *CRM Reports* and *Loyalty Scheme*. After checkout, an automatic feedback email is sent to all customers. A CRM satisfaction report based on the results is then produced. This report includes customer satisfaction rates for different areas, along with related positive and negative comments. The report is analysed on a daily basis to identify strengths, weaknesses, and possible areas of development. The report is also used as a training mechanism, to identify those areas where training is required. The report is also used to locate dissatisfied customers and contact them, in order to give them the chance of a better customer experience. One manager revealed that:

I use CRM reports quite a lot in my department. We print the reports, we go through the good comments and look at the bad comments for each individual area, and we use CRM as a training mechanism. If, for example, the scores are particularly low for the bar, I go and have a look to see what comments have been left, to identify which area of the bar needs improvement. Is it service? Is it the quality of the food? Is it value for money? The report results are probably the most important things for teams, as they are directly related to the customer.

The loyalty scheme is based on a points system. Customers who are part of the loyalty scheme earn points after each stay. The points are used as a marketing tool, and regular emails are sent to customers including lists of available offers, discounts, or free services. They also include birthdays and anniversary greetings. One of the managers emphasizes that:

We offer discounts for on-going bookers. We provide 10% off for certain periods of time when they stayed with us, and sometime we do promotions for the past years stayers [...] we tailor these to whatever we need to provide. We might include breakfast vouchers, high street vouchers, a bottle of water or wine, 10 percent off F&B, or a stay in another branch. If it is Easter, we do Easter eggs or things like that.

The CRM outcomes mentioned above emerged as a template (King et al., 2004) for the thematic analysis of the next phase of the research (Table 2).

Table 2 – CRM outcomes codes and themes (Designed Template)

Theme	Codes
Before Stay	Efficient reservation process Efficient check-in process
During Stay	Staff friendliness Delivering services with Smile Empowered staff Good customer service Good atmosphere Customized general services Customized room services Customized food and beverage menu Efficient check-out
After Stay	Anniversary and wedding greetings Loyalty card and point scheme Contacting dissatisfy customers

Overlaps

In total, 525 comments from May to June 2013 were collected from six branches. As the scope of the research was limited to customer satisfaction criteria, comments expressing dissatisfaction were ignored, and 220 satisfaction comments were used in the contents analysis. 61 comments out of 220 related to the CRM outcomes. Table 3 shows the potential overlaps between CRM outcomes and customer satisfaction criteria.

Table 3 – Overlaps between customer satisfaction criteria and CRM outcomes

CRM Stage	CRM Outcomes	customers satisfaction criteria	N	%
Before Stay	Efficient reservation process	✓	3	4%
	Efficient check-in process	✓	13	16%
During Stay	Staff friendliness	✓	31	40%
	Delivering services with Smile	✓	3	4%
	Empowered staff	✓	9	12%
	Good customer service	✓	5	6%
	Good atmosphere	✓	4	5%
	Customized general services	✓	1	1%
	Customized room services	✓	1	1%
	Customized food and beverage menu	-	-	-
	Efficient check-out	✓	9	11%
After Stay	Anniversary and wedding greetings	-	-	-
	Contacting dissatisfied customers	-	-	-
	Loyalty card and point system	-	-	-
			79	100%

Note: In total, codes were repeated 79 times and some of the comments included more than one code.

Quick reservation and check-in processes are mentioned by customers as satisfaction criteria with an overlap with pre-stay outcomes of CRM. Staff friendliness, delivering services with a smile, dealing with customer complains, good customer service, a good atmosphere and the efficiency of checkout were mentioned by customers as satisfaction criteria that overlap with the *during-stay* outcomes of the CRM. While customising services is one the main concerns of hotel CRM strategy, only 2 out of 61 comments related to customised services. As shown below, one comment was related to the food and beverage department:

The restaurant staff made a great surprise for our wedding anniversary.

Another comment was related to putting customised newspapers in the room:

Irish papers in the room were a great idea. It gave us the feeling of home away from home.

While the company uses the loyalty scheme as a marketing tool to retain existing customers, no related comments were found. No comments related to anniversary/wedding greetings or contacting dissatisfied customers were found. It needs to be taken into account that although customer satisfaction criteria overlaps with some CRM outcomes, comments related to CRM comprised only 28% of the total comments. 72% of comments belong to areas that are not the outcomes of the CRM. These criteria include the core products of hotels, namely hotel cleanliness, lobby decoration, room cleanliness, room decoration, room size, bed size, bed comfort, bathroom cleanliness, food quality, breakfast selections, selection of TV channels, hotel location, room amenities, disabled access, children’s facilities, security, and parking facilities. Among the above-mentioned criteria, *room decoration, hotel cleanliness, bed comfort and value for money* were among frequently counted satisfaction criteria by customers (Table 4).

Table 4 - Customer Satisfaction Criteria (not the outcomes of CRM)

Customer Satisfaction Criteria	N	%
Hotel cleanliness	29	11%
Lobby decoration	8	3%
Room cleanliness	21	9%
Room decoration	30	12%
Bed comfort	25	10%
Value for money	29	12%
Room size	9	4%
Bed size	6	2%

Bathroom cleanliness	6	2%
Food quality	11	4%
Breakfast selections	24	10%
Great selection of TV channels	2	1%
Hotel location	13	5%
Room amenities	17	7%
Disable access	4	2%
Kids facilities	2	1%
Security	6	2%
Parking facilities	4	2%
Total	246	100%

Note: In some comments, there was more than one criterion.

Conclusion

As Nasution and Mavondo (2008) mention, there are reasonable grounds to expect differences between management's evaluation of customer service and what customers actually experience. As Salehand Ryan (1991) observe, there is a potential gap between expectation and actual performance, and differences between the perception of service by the service provider and service receiver. In the hotel industry there are some specific problems involved in the evaluation of service provision (Nasution and Mavondo, 2008). This study has considered the perspectives of both the organization and the customers, and has made a number of contributions to the study of CRM implementation and customer satisfactions in budget hotels. The study results suggest that while customer satisfaction criteria overlap with some CRM outcomes, the main goals of CRM projects, namely customised products/services and loyalty schemes, are not considered to be a satisfaction criteria by customers. As Table 2 shows, staff friendliness was the most frequently mentioned customer satisfaction criteria that overlapped with CRM outcomes. Staff friendliness is a part of organisational culture, and this highlights the impact of organizational culture on implementing CRM strategies (Iriana and Buttle, 2006) and the vital role of human resources in CRM projects (Mendoza et al., 2006). This is also in line with Curry and Kkolou (2004), who define CRM as a cultural process, and not a set of management tools but a management philosophy, a way of running the business. The study also suggests that CRM implementation in budget hotels cannot be considered as a key to success unless the differences between the perceptions of managers and customers are addressed properly. We can conclude that regardless of the changes in customers' expectations and services in budget hotel, customers remain more interested in core products and a comfortable stay than in customised products and services. While customers value some products or services above others (Solomon, 2009; Luck and Lancaster, 2013; Brotherton, 2004) within budget hotels, in terms of satisfaction they attach more importance

to value for money than to loyalty, recognition, and customized services. This is also in line with the view expressed by a manager:

You can give the customer exactly what they want, but the biggest areas you have to look at are that they want a bed and breakfast, they want a smile, and they want helpful staff [...].

From a managerial point of view, the study indicates that while budget hotels are making a substantial investment in their CRM programmes, there is a clear gap between managers' understanding and customer perceptions. Therefore, hotels should invest in customer understanding and customer satisfaction criteria through market research and other information gathering and analysis procedures before investing in CRM programmes. The study has highlighted that customer satisfaction criteria and values perceived by managers are different than those perceived by customers, and that there needs to be a greater symmetry between these two points of views. In the current business environment, hotels should not only identify the specific criteria of their target customers, but also aim to excel in these if they are to outperform competitors and retain the interest of their existing and potential customers. Considering the challenges of implementing CRM projects with the limited resources of budget hotels, the study recommends that instead of customising products and services, budget hotels should focus on their core products and value for money in order to increase customer satisfaction and retention. The word cloud below (Figure 1) shows the main core products that can cause customer satisfactions in budget hotels.

Figure 1- Cloud word of core products that can cause customer satisfaction



Limitation

This study has some limitations. As the focus of the research was customer satisfaction, only positive comments were selected for content analysis. Future research could be conducted that would take into account both positive and negative comments, in order to find potential overlaps between CRM outcomes and customer dis/satisfaction. In accordance with the adopted strategy of using a case study, the themes and codes came out of interviews (deductive approach), and future research could also include the related literature (inductive approach). Interviews with customers were not allowed, and the analysis was conducted based on comment cards. Future research could be conducted by interviewing customers in order to obtain more in-depth information. Company comment analyses might not fully reflect the views of satisfied customers, and this also needs to be considered a limitation of the research.

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