

ADVANTAGES AND DEFICIENCIES IN THE USE OF CRM IN HOTELS

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Abstract

Over the last decades, the dominant trend of globalization has led to extremely dynamic changes in two major areas - market and technology. The changing conditions of modern tourism development pose new challenges to the tourism business. Adhering to the preferences of modern tourists in their desire to turn them into real customers, each tourist enterprise should seek out the right marketing solutions to respond to global change. This gives grounds for a change in the model of business relations in tourism, determines the topicality of this problem and the scientific interest of the author in studying and exploring the relations with clients in the tourism industry. The actuality of the problem is complemented by an essential feature related to the application of the marketing management approach - the result is the achievement of a competitive advantage in the contemporary dynamic market environment. Based on a survey of hoteliers, analysis and evaluation, some advantages and disadvantages have been outlined about the application of CRM in the hotel industry.

Key words: marketing, relationship management in tourism, advantages, disadvantages.

INTRODUCTION

The Modern Marketing Approach Managing Relationships with Customers in Tourism is becoming more and more relevant for several reasons:

Competitive struggle between destinations and businesses is sharpened in the modern tourist business environment, which requires the use of innovative marketing approaches and the establishment of destination management organizations aimed at developing sustainable forms of tourism [1].

Tourism development can take into account the preservation of cultural heritage, the promotion of tourist attractions, investments, diversification of activities, service and staff quality [4].

A tremendous trend towards customized innovations in the supply of tourism products globally. Market competition creates incentives for using more advanced technologies, improving professional qualifications, improving work organization, speeding up the transfer of science and technology, which favors the extensive type of economic growth [5].

Changing user requirements and behavior, including increasing their reorientation

capabilities, finding information, improving methods and purchasing methods, and more.

The avalanche use of electronic technologies as a result of globalization in creating and realizing market relations. The lag of elasticity in the product towards the changing user desires and the customer seeking for flexibility form the foundation for various innovations in the hotel industry [2].

The facilitated information and communication system determines the ability to quickly, accurately and cost effectively collect, process, distribute and store market information. Moreover, the uncertain and rapidly changing global macroeconomic environment (economic growth rate, unemployment rate, inflation rate, etc.) leads to a distortion of economic information and uncertainty in the taking and implementation of economic decisions by firms. [6].

All these preconditions change the pattern of business relationships in tourism, determine the relevance of the problem and the scientific interest of the author in studying and exploring the relationships with customers in the tourism industry. The actuality of the problem is complemented by an essential feature related to the application of the marketing management approach - the result is the achievement of a competitive advantage

in the contemporary dynamic market environment. The economic system is a complex system of many variables and different relationships between them, which poses many challenges to strategic management and firm performance [7].

The benefit of the utility and the necessity of the development is the lack of serious and purposeful research in this field in our country.

MATERIALS AND METHODS

For the purposes of this study, it is appropriate to conduct a deep (free) interview as a variety of qualitative data collection methods that take place on pre-established thematic areas that are explored with open questions. In line with the subject of the study and the objectives set, an appropriate common questionnaire was designed to explore the opinion of hotel managers on their attitude towards the application of CRM in the hospitality industry. In-depth interviewing is a flexible method of collecting data because:

- Provides opportunities to explore managers' views of online business in an extremely complex, dynamic and competitive environment;
- reveals positive and negative assessments on major research issues;
- justifies and justifies personal comments;
- broadly extends the scope of analysis of CRM application issues in hospitality.

In order to achieve the depth of the information they have in the interview is included specifying and expanding issues and issues, which require comparison comparison with local and regional competitors international tourist market.

RESULTS AND DISCUSSIONS

Against the background of the above results and conclusions, the answers of the hoteliers to the question are optimistic, will the expansion of the use of CRM in the hotel industry (Figure 1).

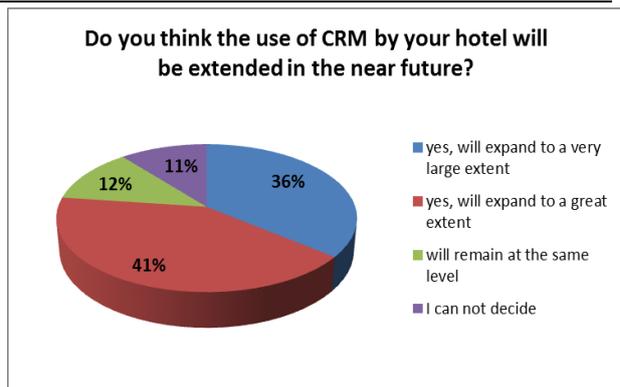


Fig. 1. Reporting hotelier opinion on how to use CRM in the future.

Source: Own determination.

The survey reveals that more than 35% of hoteliers surveyed are convinced that in the coming period CRM will expand to a very large extent and 41.3% see large expansion. Only 12% say that development and application will remain at the current level, while 10.9% can not judge. Regardless of the hoteliers' optimistic views on the use of CRM in a future period, we must point out that such a forecast must necessarily be linked to overcoming the already mentioned difficulties in this regard.

After an empirical survey, we can point out the following advantages and disadvantages regarding the application of CRM in the hospitality industry:

Benefits and advantages:

- every employee in the company has access to the data and the contacts made with the client;
- provides an opportunity for an integrated analysis environment;
- leads to widening the range of daily operations;
- provides in-depth understanding of the customer base and helps to evaluate consumer expectations;
- an opportunity to assess the value of each client and measure its profitability and long-term value for the company;
- supports the sale of additional specific services;
- possibility of detailed study of customer database with detailed and accurate information,
- convenience through customized profiling of messages;

- allows to create a unified environment for the automation of the planning, reporting, analysis and control activities of the enterprise's core business processes;
- identifying the most lucrative target markets and adapting product offers to interactions with each customer;
- data is automatically imported into an individual client's operational dossier and so all available customer information is unified and organized;
- provides information on segmentation, customer targeting and feedback;
- with the help of CRM, the hotel organization has the opportunity to optimize its business processes and maximize the benefits of the business;
- every employee in the company has access to the data and the contacts made with the client;
- improves the quality of customer interaction and consolidation of data for analysis;
- creates efficient, immediate and low cost communication with the client;
- the opportunity to manage the future situation and improve profits;
- personalize the organization's relationships with the environment;
- provide access to one (logical) data store for customers;
- synchronization and operational support of the central customer point of marketing, sales and services;
- integrates all communication channels between the client and the company;
- merging and evaluating all customer information;
- serves to support the operational processes of all areas that have direct contact with the client - mainly marketing, sales and customer service;
- automation of the sales process;
- automation of services;
- better experience for the client;
- possibility of offering specific products;
- real-time information;
- improving overall customer satisfaction;
- a single database;
- optimizes work processes;
- maximizing business benefits;
- increasing the value of the company by integrating data, increasing loyalty and

customer retention, attracting new customers, and ensuring an adequate response to competition on the market.

The main activities related to the CRM system for the development of the clients and the increase of the share in the client portfolio of the tourist enterprises are stated as follows:

- the high level and level of detail in collecting customer information;
- contains a complete history of the relationship with each tourist;
- provides the ability to sort and classify customers according to different criteria;
- a two-way connection provided;
- possibility for personalized service;
- possibility to retain the client in the long term;

Deficiencies and limitations:

- the cooperation of all departments in the company that will use the system;
- Strategic innovation as a result of innovation;
- the application is aimed at a larger business, as the investment is large and the return is after a prolonged period;
- is connected with the implementation of technological resources;
- payment of a price for software and hardware provisioning;
- need for trained specialists;
- in implementing a CRM system, there are costs associated with purchasing a system or developing it, installing the system, training employees for the application;
- inability to capture a set of very specific business areas;
- the company is responsible for the maintenance and evolution of its application;
- necessary integration, if a company wants to make the creation of proposals in real orders, the sales department must have access to the status of each order and also be able to make changes and follow up;
- the application is time-consuming to allow the organization to identify the benefits of the CRM solution in its full capacity; customers also need time to see change and increase their participation in the business process;
- business change and transition to the client is required to enable a business to use a given CRM solution is a right transition to a CRM-centric business that always focuses first and

last on customers and their satisfaction and then on the company itself;

-need for training and professional training of employees.

Based on the advantages and disadvantages of applying CRM in hotel management, we can say that the benefits are a strong argument and a good opportunity for the successful development of the relationship between the client and the particular tourist enterprise.

CONCLUSIONS

The study and analysis of the survey conducted with the hoteliers from the hotels in the city of Burgas gives us grounds for a number of findings, conclusions and recommendations for their activities related to the application of CRM in the hotel industry.

First: Because of the lack of knowledge and lack of staff with the appropriate training and the necessary professional experience in the field of electronic technologies, hoteliers in Burgas use limited CRM.

Second: Due to lack of professional experience, which is also verified in other studies in the field of hotel industry [3], hoteliers do not know and do not take into account the main impacts of CRM on the competitiveness of their business.

Third: There is no systematic monitoring of the costs and potential benefits of using CRM, which makes it difficult to determine its usefulness.

Fourthly, hoteliers understand the need for CRM, but they are still struggling to overcome existing problems and difficulties in applying them to their site.

Despite the findings of the survey on the application of CRM in the hospitality industry, the surveyed respondents appreciate to a very high degree the satisfaction of the client as an indicator of building mutual positive relations. On the basis of this assessment the conclusions are as follows:

First and foremost, in order to help service personnel conduct customer-centric behavior, the organization should work towards developing an appropriate service-oriented work environment. Inevitably, all organization

resources need to be integrated to successfully implement CRM.

In addition, CRM can influence future marketing and price-related marketing decisions. In this way, the hotel has the ability to flexibly determine prices against the information gathered for its customers.

Another effect that hoteliers emphasize from customer relationship management is that it allows for customization of communication and overall customer attitude, unlike traditional classical marketing, where the same message is used for all customers. Hoteliers understand that this process of "personalization" is one of the founding principles of a positive relationship.

Accepting one of the benefits of managing customer relationships, namely - better understanding customer needs, hoteliers claim that the overall service can be improved and thus deepen the relationship with visitors.

Hoteliers are aware that they can use CRM to accurately identify beneficial customers, focus their efforts on getting more active at them, and personalizing supply to meet the current needs of visitors.

In addition to the above, it is also important to note that CRM success requires not only technological quality or systems, but also an effective service concept, as well as appropriate operational procedures directly related to the active employee involvement in the organization. Consequently, changing companies is not only necessary from a technological point of view, but also in the way they organize their business processes aimed not only at customers but also at their employees.

Hoteliers are well aware that customer management by offering tailor-made special offers and constant contact is a prerequisite for achieving customer satisfaction, loyalty and commitment to the particular tourist organization. Shared customer feedback and feedback should not be taken as a personal attitude but as an opportunity for professional decisions.

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