THE IMPACT OF CUSTOMER RELATIONSHIP MARKETING ON COSTUMERS' IMAGE FOR JORDANIAN FIVE STAR HOTELS

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Abstract

The study aims to investigate the impact of customer relationship marketing (CRM) on costumers' Image for Jordanian Five star Hotels. The survey method was used the application of a self administrated questionnaire which was distributed to a convenience sample amounting 500 customers: 366 questionnaires were collected, 12 questionnaires were disregarded. Therefore 354 were used for proper statistical analysis; that is 70.8% of the total sample. The study results indicated that that there are positive attitudes toward CRM used in five star hotels in Jordan. There is an impact of using CRM on customers' Image of Jordanian Five star Hotels. This study is one of several researches that will be conducted in the tourism sector in Jordan in the next few years, in order to increase the number of tourists in Jordan for the next five years.

1. Introduction

Relationship marketing has emerged over the years as an exciting area of marketing that focuses on building long-term relationships with customers and other parties. Customer relationship management is moving to be an integral part of the marketing management function (Aaltonen, 2004). Relationship marketing has received increasing attention in both marketing theory and practice. Relationship marketing strategy is particularly important to service industries because of the intangible nature of service and high level of interaction with customers. A key feature of the strategy of relationship marketing is that not only does it lead to customer retention and increase the profitability of the company, but it also provides a sustainable competitive advantage for the service company. In addition, they are not the aspects of the intangible relationship replicated easily by competitors (Reichheld and Sasser, 1990). Payne, et al (2000) reported that business organizations are adopting customer relationship marketing as a strategy to collect and to use data for increasing customer value which in its turn, increase customer satisfaction. Companies are focusing on customer satisfaction rates because they think is a strong positive relationship between customer service quality and loyalty (Rust and Zahorik, 1991).

Grönroos (2000) indicated that "relationship is developed when a customer perceives that a mutual way of thinking exists between customer and supplier or service provider". Relationship is related to an attitude and, from the organization' viewpoint, a relationship can develop only when all or at least most important customer contacts and interactions are relationship-oriented (Grönroos, 2000). Therefore, organizations should create interaction and communication processes that facilitate relationship. Establishing relationships process requires that all concerned parties should like such relationships. Customer Relationship Marketing definition varies from author to another since they define customer relationship from different academic or practical points of view. But they agree that relation marketing identifies, establishes, maintains, enhances and, terminates relationships with customers when necessary (Rashid, 2003).

2. Dimensions of Relationship Marketing

Relationship marketing has the following key dimensions:

- *Trust* has been defined as "A willingness to rely on an exchange partner in whom one has confidence" (Moorman et al., 1993). Trust is an important component in establishing and maintaining successful inter organizational systems" (Meier, 1995, p. 145).
- *Commitment* is another important determinant of marketing relationship strength and useful construct for measuring customer loyalty likelihood and predicting future purchase frequency (Gundlach et al., 1995).
- *Social Bonding -* bonding is defined as the dimension of a business relationship between parties acting in a unified manner toward a desired goal. Various bonds exist between parties and indicate different levels of relationships (Callaghan et al., 1995). Bonding controls social and business behavior in society, and may remove doubt, creates trust and forms close relationships (Hinde, 1997).

- **Communication** is a vital component in business relationships establishment (Andersen, 2001). Communication is important in marketing relationships; it plays a central role in providing an understanding of the exchange partner's intentions and capabilities, thus forming groundwork for building trust among exchange partners.

It is argued that corporate image is what comes to mind when travelers hear the name of a place, a hotel or a restaurant (Nguyen, 2006). Customers tend to deal with organizations that have images consistent with their own self images. (Schiffman & Kanuk, 1997). And it is defined as the way the public perceives the company or its products (Kotler & Keller., 2006). It is related to business name, architecture, variety of products/services, tradition, ideology, and to the impression of quality communicated by each person interacting with the organization's clients (Nguyen, 2006). The product image also contains different associations including product's physical properties and attributes as well as the benefits and feelings that come from product consumption (Blackwell et al., 2001). Meanwhile, Corporate image may be considered as ''a function of the accumulation of purchasing/consumption experience over time''. (Andreassen and Lindestad, 1998)

3. Previous Studies

Tony and Tracey (2007) study aimed to examine whether the relationship characteristics of length and duration, the customer demographic characteristics of age and gender and relationship attribute importance, as perceived by the customer, impact on the strength of the relationship between the customer and service provider. The study used a field survey where 287 questionnaires were distributed to the customers' of five star service products. The sample was asked to assess the strength of the relationship between themselves and their supplier. The study found that there was relationship strength found to vary significantly between service products and individual customers, and the impact of duration of the relationship and the frequency of purchase on relationship strength depends greatly on the nature of the service product. It was also demonstrated that some customers want a closer relationship with service providers than other customers, and this aspect significantly affects the strength of relationship perceived by the customer.

Helgesen (2007) study aimed to identify the most influential drivers of customer satisfaction. The data source is a market survey. Items measuring customer satisfaction as well as importance and performance (satisfaction) of drivers of customer satisfaction have been included in a questionnaire answered by 128 customers from approximately 25 countries The study found that prices have not been identified as satisfiers; however, according to the item-based importance-performance grid, competitive prices are important and can perhaps be perceived as "hygiene", focusing more on what is important for customer loyalty. Arturo et al (2007) study, aimed to investigate the impact of relational benefits on customer satisfaction in retail banking. The study was conducted using a sample of 204 bank customers; multi-item indicators from prior studies were employed to measure the constructs of interest. The study concluded that confidence benefits have a direct, positive effect on the satisfaction of customers with their bank. Special treatment benefits and social benefits did not have any significant effects on satisfaction in a retail banking environment.

4. Research questions

The research may be an answer to the following questions:
1- What are the attitudes toward CRM tools used in five star hotels in Jordan?
2- What is the impact of using CRM on costumers' Image for Jordanian Five star Hotels?

According to the main objectives of this study, the researcher depended on the following two main hypotheses in order to achieve the objectives:

- the first null hypothesis "There are negative attitudes toward CRM tools used in five star hotels in Jordan".
- the second null hypothesis" there is no impact of using CRM on costumers' Image for Jordanian Five star Hotels".

5. Significance of Research

The research significance is also attributed to the followings:
1- It could form a base for further studies in the area in Jordan
2- It could contribute in explaining the CRM for those who are interested in this field
3- It may provide hotel managers with the new trend in CRM that can be a benefit for them
4- It may provide a new point of view regarding the CRM in terms of determining the impact of using it on costumers' Image of Jordanian Five star Hotels

6. *Research Objectives*

The research aims to achieve the following objectives:

1. To find out the attitudes toward CRM tools used in five star hotels in Jordan.
2. To specify the impact of using CRM on costumers' Image for Jordanian Five star Hotels.

7. *Methodology*

The design of this research is descriptive and quantitative in nature.

The research was based in terms of designing a questionnaire which was addressed to those who deal with five stars hotels. Due to the fact that mail survey is not a practical method in our area, since most of the respondents will not act promptly, the questionnaire was distributed by the researcher himself, in order to ensure that most of the sample complete the questionnaire and to explain some salient points if any; besides of obtaining the results quickly.

8. *Population and Sampling*

The customers of five Jordanian stars hotels represent the research targeted population. A convenience sample of 500 customers was chosen and 366 questionnaires were collected, 354 of these being used for a proper statistical analysis, this representing 70.8% of the total sample.

9. *Data collection method*

There are two types of data collection, secondary data and primary data. Both primary and secondary data were used in this study, as follows:

a. Secondary data

Secondary data include both quantitative and qualitative data and can be used in descriptive and explanatory as well. In this study secondary data was collected from various resources such as: books, journals newspapers, and the internet. The main advantage of secondary data is saving time and money since it is much less expensive to use secondary data than to collect the same.

b. Primary data

A questionnaire was used for collecting primary data from the targeted population.

10. *Questionnaire Design*

A self-administration questionnaire was developed after reviewing the literature review and previous studies from various references, which deal with the research topic. The questionnaire is structured in two parts. The first part attempts to collect general information and the second part consists of all questions related to the objectives and hypotheses of the research. The first set of questions is dealing with attitudes toward CRM. The second set of questions is dealing with measuring Image.

11. *Validity and Reliability*

a. Validity:

The questionnaire has been evaluated by a panel of Jordan Universites instructors. Their remarks and comments were taken into consideration.

b. Reliability

Cronbanch Alpha coefficient was used to test research's reliability. α' value was 0.872 which is deemed good because it is greater than accepted percent (0.60). (Malhotra, 2004)

12. Data Analysis

Gathered data was coded and analyzed using descriptive statistics. One sample t-test was used to test the first hypothesis; while simple regression was used to test the second one.

13. Characteristics of the Sample

Table 1 shows the sample distribution according to the demographic variables. Table indicates that the sample majority 62.7% are males and 37.3% are females. The income of 65.2% of the sample respondents is more than 3,500 USD. As for educational levels point of view, 211 respondents (59.6%) have the first university degree.

Table 1. Respondents background

Variable	Frequency	%
Gender:		
Male	222	62.7%
Female	132	37.3%
Income (per month):		
Less than 1500$	15	4.2%
1500$ to less than 2500$	55	15.5%
2500$ to less than 3500$	53	15.0%
3500$ to less than 4500$	119	33.6%
More than 4500$	112	31.6%
Education level:		
General Secondary Certificate or less	-	-
Community Collage	26	7.3%
First University degree (Bachelor (B.A)	211	59.6%
Second University degree (Master degree)	105	29.7%
Doctoral Degree and more.	12	3.4%

Table 2 indicates that means of statements are greater than the virtual mean (3) this indicated that there are positive attitudes. Statement (3, 9, 11and 17) have the highest mean values which reflect high degree of positive attitudes toward those CRM tools.

Table 2. Attitudes CRM tools

	Mean	STD. Deviation
1-The hotel has high security to protect customer information	4.4350	0.66691
2-The hotel provides quality service consistently	4.2797	0.70069
3-The hotel meets its obligations toward its customers	4.6610	0.65039
4-You have confidence in the hotel's services	4.2288	0.81846
5-The hotel makes adjustments to suit your needs.	4.0960	0.89179
6-The hotel is flexible in serving your needs	4.1073	0.86139
7-The hotel offers personalized services to meet your needs	4.0311	0.79776
8-The hotel tries to manage your critical situation	4.4237	0.73450
9-Hotel's employees show respect to customers	4.5650	0.70007
10-The hotel tries to create a close relationship with you	4.4068	0.78119
11-You create friendships with hotel's employee(s)	3.8051	.91502
12-The hotel provides you with full information when there is new service/ product	3.7853	0.91522
13-Your hotel provides timely and trustworthy information	3.7797	0.92005
14-Your hotel provides you with new information in a specified time	3.7910	0.92269
15-The hotel tries to avoid potential conflicts	3.7797	0.92005
16-The hotel tries to solve manifest conflicts before they cause problems	3.7740	0.91868
17-The hotel has the ability to openly discuss solutions when there is a problem.	4.4294	0.74274
18-The hotel's employees solve your problems quickly	4.3277	0.76018

In table below means ranged between (4.18 – 4-58) this indicates that sample's attitudes are positive regarding all statement that measure customers' image.

Table 3. Customers' image

IMAGE	Mean	STD. Deviation
19. The hotel I deal with has a good image in consumers minds	4.5876	0.78906
20. I'd like to continue in the hotel that uses CRM tools properly.	4.2881	0.82902
21. I trust a hotel that uses CRM tools properly.	4.1893	0.89113
22. I know that the hotel I deal with is using CRM tools successfully.	4.4548	0.74851
23. I believe that the hotel I deal with copes with sophisticated methods in the areas of CRM.	4.3559	0.73971
24. I feel that the hotel I deal with is using CRM tools effectively.	4.5650	0.61843

14. Hypothesis Testing:

The results of the first null hypothesis: "There are negative attitudes toward CRM tools used in five star hotels in Jordan" are revealed in table below. One sample t-test was used to test the above hypothesis and it was found that calculated value of t is significant at (0.01) which means that: there are positive attitudes toward CRM tools used in five star hotels in Jordan.

Table 4. Test of hypothesis (1)

t calculated	t Sig	Mean
47.775	0.000**	4.1503

Note: ** Significant at (0.01) level

The second null hypothesis: "There is no impact of using CRM on costumers' Image for Jordanian Five star Hotels" was tested, such as: linear Regression was used to test our hypothesis and we found that (calculated F = 61.127) is significant at (0.01) level. So we will reject Ho and accept Ha. So that there is an impact of using CRM on costumers' Image for Jordanian five star hotels. And this impact is high because Pearson Correlation is 64.2%.

Table 5. Test of hypothesis (2)

F calculated	F Sig	R
61.127	000**	0.642

Note: ** Significant at (0.01) level

15. Conclusions and recommendations

Upon the above analysis the following results are:
The hotel which meets its obligations toward its customers has the highest mean values in their variables which reflect high degree of positive attitudes toward those CRM's tools. Also it was found that there are positive attitudes toward questions measuring costumers' Image of Jordanian five star Hotels and there are positive attitudes toward CRM tools used in five star hotels in Jordan from customers. Also there is an impact of using CRM on costumers' Image of Jordanian five star Hotels.

According to thes finding these recommendations are suggested , Creating an awareness regarding the importance and role of CRM in five star hotels in Jordan is important beside Providing training programs in this field for Jordanian five star hotels marketing staff along with establishing CRM course at Jordan universities in order to improve the know-how of the people in this regard. Also Five star hotels should look for best strategies and mechanisms to promote their service in the international markets.and It is important to establish new units/departments that focus on following up with the customers, resolve any problem they might face, and speed up services. Future studies are needed to provide more information about benefits, current situation, difference between industries, challenges and the best practices in all sectors and their effects in macro and micro level of the Jordanian market.

NOTES

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