

Customer relationship marketing assignment

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IT allowed business to store and retrieve Customer information so thus it lead o the definition information enabled relationship marketing (Riyals & Payne, 2001). However CRM does have a wide definition but what is important is that CRM is married to advancements in information technology. According to Swift (2000) he explained that CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments.

This wide definition allows, to draw a conclusion that CRM is vital for the business if it wants to make high return on its investments. Question 2 : Customer Relationship Marketing Hilton Hotels Corporation is one of the leading hotel groups in the world. There CRM project is based on a platform known as This system enhances customer recognition at check in so it enables Hilton to provide an enhanced service based on real-time access to customer preference. How this system works is that when a customer registers for the first time a record is created in the Guest Profile Manager.

Then all the details about the customer, like travel details, length of stay, customer information, preference and so on is then shared with the rest of the hotel family. So that when the customer alas into the hotel for the first time all his service is already customized for his preference based on his previous stays and records. The system further goes on to integrate itself with the website allowing customers to make reservation online but at the same time get access to special promotions based on the customers preference and history.

This level of information allows Hilton Hotels to provide a very personal service to the customer. For example when a customer walks into one of Hilltop's embassy suites the hotel knows what drink to serve to the customer, what hotel view the customer refers, what breakfast he likes to eat, what shaving cream he prefers and so on. The hotel further can take its service to its loyal customers by arranging special service like birthday, anniversary celebrations and so on. By integrating so much customization Hilton is able to make sure that its customers stay loyal for a life time.

Traceability is an online travel agency which specializes in providing holiday and travel plans for its huge customer base. Traceability uses a system developed by ASS to implement its CRM project. Trivialities business model is based on complex networking and connectivity. When a customer shows interest in planning a tour or holiday Traceability first asks the customer to register in its site. After registration the Traceability provides numerous information to its customer about travel destinations.

After the customer picks a destination Traceability arranges everything from air ticket, to hotel to taxi service. So all the customer has to do is book and pay Traceability. In order to better improve its service Traceability conducts numerous customers' surveys to find out what its customer wants, like what destinations are popular and then uses this information to expand its portfolio of travel plans. Later it then searches its existing customer base at emails customer about new travel destinations and promotions based on the customer preference and customers budgets.

Traceability also further takes its CRM by using it to forecast its future sales based on customer patterns, this allows Traceability to have a competitive edge over its competitors since they can better prepare for the future based on its predictable and loyal customers. Customer Loyalty Both Hilton and Traceability have loyalty programs to retain its customer base. For starters Hilton provides membership privileges to its customers. For example its executive membership allows executives to have overnight booking at any of Hilton hotel so that the hotel grants a place for them to stay.

In case there is full booking then Hilton would provide an alternative on its own cost. Even though the executive membership is more expensive compared to normal rates, it allows the executives to have peace of mind. Since they are traveling a lot they want to make sure there is no hassle in finding a hotel and they want to feel like there are at home by getting familiar with the hotels. For this service they are willing to pay extra and will continue to use Hilton Hotels throughout their life time. Traceability does not have membership based loyalty but it has a point based system which provides rewards to its loyal customers.

Customer earns reward points by going on holiday trips provided by Traceability. These points can then be used to get discounts or can be used to get special services free of charge. Both loyalty programs used by Hilton and Traceability are effective since they both retain customers, Traceability has a points based system since its customers are more budget conscious than Hilton customers who are generally more rich and want convenience rather than cost savings. Activities Hilton Hotels has a high level of customization than Traceability.

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Most of Traceability customization comes when choosing the travel package itself. Everything is already selected and pre determined. When the customer goes online to make the booking he knows what he is going to get and what he is going to pay for by going through all the features provided by that specific travel plan. However that is not the case with Hilton. In Hilton the customer chooses his membership or makes a reservation for a certain period and he just pays for it. While making the reservation the customer would not be able to see what features he would be getting.

The truth is the customer really doesn't care about it or he doesn't want to waste time going through all of those. But when the customer gets to the hotel he expects everything to be there. So Hilton has a lot more activities to do than compared to Traceability. When the customer enters Hilton hotels he is expecting his room to be ready with his welcoming drink and his air port transport to be on time. So the level of activities is high in Hilton than in Traceability which has more pre set menu compared to the buffet style serving of Hilton.

Question 2 : Evaluation of Factors Hilton hotel groups are one of the most luxuries and profitable hotel Chains in the world. Their customer segment is different from Traceability or even to other hotels semi luxury hotels. Its customers expect to have luxury and convenience at its foremost while price only plays as a secondary role. Hilton realized that its customers have money but not time. So it used this critical fact to develop a CRM system that gives customers more convenience in exchange for a higher price.

First of all is that customers don't have to spend time too much time making a reservation. All they have to do is go online and book which hotel they want and the length of their stay. From that moment on Hilton does the rest of the work. Secondly Hilltop's customers are mostly comprised of executives who travel a lot for most part of their working life. It means that they have less time to go home and spend most of their time from hotels to hotels. So by retrieving all the information about the customers past and his preference Hilton can provide an almost home like experience to its customers.

Thirdly it has build an experience where executives would be able to meet other executives and from new legislations both personal and professional with each other. So by using this information Hilton can plan outs specials events and invite its guest to take part in, based on the compatibility level of the guest. This allows Hilton to build a vibrant customer base based on social implications. By building it as a social implication Hilton makes sure that its customers would stay loyal to it and that through peer pressure and word of mouth more potential customers can attracted to Hilton.

It is evident that Hilltop's CRM project is effective because it has successfully build an experience around it where it tastes that successful individuals can come here, as a second home to spend their period of travel there. By providing so much personal and customized service Hilton delivers a very special experience to the customer and the customer does not feel like going to a competitor since them re already comfortable with it. Traceability has a complex business model compared to Hilton. They are practically the link between the customer and the whole travel industry.

There CRM program revolves around enhanced and advanced information flow from customer to the travel destination. Information Technology plays a key role in their criteria to success. There are three reasons to the successfulness of Traceability CRM programs. First is that they build a very detailed profile of their customers. They constantly collect information about the customer through surveys and are always updating it with trends and new developments in travel destinations. So by having a very detailed profile about the customer, Traceability can implement various marketing promotions to arouse the customers to go on more holiday and trips.

Secondly, Traceability makes use of its extensive feedback to constantly improve its services by improving its travel packages based on customer feedback. Not only does this improve the overall quality of the service, by listening to the customers Traceability can pick up new trends and new hot spot destinations for its customers. Thirdly Traceability can use its CRM to deliver directed marketing promotions at its customers. Customer if left on their own would not be interested or would not be interested ongoing multiple holiday tours and travel. So they have to be constantly supplied with new information to persuade them to go on more trips.

So Traceability uses its CRM to identify and segment its customers then uses videos, social sites, Youth and so on to arouse the customer so that he would create a demand to go on more trips with Traceability. For example if one customer likes to surf, then is Traceability constantly send information regarding surfing spots, videos and son the customer would decide to go on a surfing holiday. Trivialities CRM is effective yet there are a few short comings. For starters it needs to have a better reward system rather than <https://assignbuster.com/customer-relationship-marketing-assignment/>

the current one it uses. The reward system has to enable the customer to make more multiple trips with Traceability.