

МАРКЕТИНГ НА ВЗАИМООТНОШЕНИЯТА НА ХОТЕЛИЕРСКИЯ БИЗНЕС

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RELATIONSHIP MARKETING OF HOTEL BUSINESS

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Abstract

Under the conditions of constant and unforeseeable market changes, the success of hotel business is guaranteed to a considerable extent by its skill to develop, maintain and improve long-term relations with customers. The application of the customer-orientated approach facilitates the development of relations of mutual trust in clients and complete satisfaction. In this context, the aim of this article is to outline the major problems connected with relationship marketing of hotel business. The research is based on the results of a survey conducted among owners of hotel business.

Keywords: *relationship marketing, hotel business, problem*

JEL Codes: *M31, Z39*

1. Introduction

In the contemporary dynamically changing market conditions the hotel business is forced to seek new solutions regarding the establishment of effective communication with customers. Moreover, managers of this business are looking for new solutions connected with the satisfaction of the increasing demands of customers. For the achieving of this aim relationship marketing plays an important role (Filipova, 2010).

Having in mind that the hotel business is an economic branch connected with offering one specific product – namely public services they inevitably become a prerequisite for meeting the demands of tourists (Yaneva, 2013). The adoption and implementation of a customer – orientated approach by the hotel business facilitates the development of relations based on mutual trust to customers and better customer satisfaction mainly by offering unique value to the product. Moreover, „relationship marketing acknowledges that a stable customer base is a core business asset” (Rowley, 2005).

The success of hotel business is strongly affected by its ability to keep relations with its customers and employees. With regard to this, De Madariaga and Valor (2007) point out that the main factor for successful survival of developed markets is the establishment of long-term relationship between the interested sides.

As a result of the relationships of business with customers are made deals, sales of products are realized (Ostashko, 2014, p. 220) and profits are generated which leads to increased productivity. In turn, relationship marketing will result in benefits such as increased stability and security (Gummeson, 1997; Peppers and Rogers, 2011), as well as in decrease of expenditures for client services.

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Filipova's view is that, the traditional approach to marketing putting the stress on the management of the key marketing mix elements as product, price, promotion and venue, is more and more often brought in question throughout the recent years. The new approach of the customer relationship management, though accepting the key elements, reflects the need for the establishment of an integrated multifunctional focus on the marketing, which attaches importance on the retaining as well as on the winning of new customers. This way the focus is shifted from the acquisition of customers to the retaining of consumers and provision of the necessary time, means and managers' resources aiming at these two key tasks (Filipova, 2007).

The use of relationship marketing in hotel business helps the creation of loyal customers. The success of this business is crucially affected by its ability to create, maintain and improve long-term relations with customers. With this respect, the aim of this paper is to outline the major problems connected with relationship marketing in hotel business. For the achievement of this aim, a survey was conducted among 24 hotel owners in Blagoevgrad region in the period between February – May 2017. For the collection of data, the method of direct survey was applied in which the respondents fill in questionnaires on their own.

2. Problem definition

Entrepreneurial activity in hotel business cannot be developed without the establishment, development and maintainance of long-term relations with customers. The idea of relationship marketing is extremely important due to the fact that it facilitates the better understanding of tourists' demands and based on this could be created a hotel product with unique customer value as well as high quality and attractiveness. Relationship marketing also allows the achievement of competition advantage, which possesses the specific characteristics of the hotel product which in turn add customer value and more benefit in comparison with the products of competitors. It is not by accident, that Takala and Uusitalo (1996) think that relationship marketing is in itself the strategic answer of the business to receive a competition advantage. For this reason, we need to explain the essence and peculiarities of relationship marketing.

In scientific literature, there is not a unanimous opinion about the essence of relationship marketing. For example, in their view of relationship marketing Morgan and Hunt (1994) put emphasis on marketing activity. They define relationship marketing as „this, which relates to all marketing activities aimed at establishing, developing and maintaining successful relations”. In the same line of thought, is the opinion of Mishra and Li (2008), who view relationship marketing as the sum of all marketing activities aimed at establishing, developing and maintaining of successful exchange of relations. Bruhn also supports this line of thought. He points out that relationship marketing should be viewed as a combination of all activities – analysis, planning, realization and control measures – which create, stabilize, improve and reestablish business relations with the interested business partners, mainly with customers, as well as those which create mutual value in the process of relationship (Bruhn, 2003, p. 11). O'Malley and Tynan (2000) put an important emphasis on relationship marketing by stating that relationship marketing will work effectively on the condition that customers are strongly engaged with the product or service i.e. there is personalization element and customers are interested in being part of the activities of establishing the relationship. McKenna's position (1991) is that relationship marketing could be defined as the increased role of customers and manipulating the customers towards the formation of real customer interest (communication and knowledge exchange).

Another approach to relationship marketing defines it as the current process of engaging in cooperative and joint activities and projects with current or final customers for the creation or increase of mutual economic value at decreased expenditures (Sheth and Parvatiyar, 2000, p. 9). Grönroos has an original understanding of relationship marketing. He thinks that „marketing has the role of establishing, maintaining and developing relations with customers and other partners with the aim of

reaching common goals and profit” (Grönroos, 1990, p. 138). Unlike the authors cited above, Vavra (1992) defines relationship marketing exceptionally as connection with customers and contacts with them only after realization of deals.

In their views of the essence of relationship marketing, some authors emphasize the network of relationships. For example, Gummesson (2008, p. 5) defines relationship marketing as interaction in the network of relationship. According to Shani and Chalasani (1992, p. 44) it can be interpreted as the integrated effort for identifying, supporting and establishing of network with individual customers and constant consolidation of the network for the mutual benefit of both partners by means of interactive, personalized contacts with added value for long periods in the future.

The essence of relationship marketing is also viewed from the perspective of competencies by authors such as Arnett and Badrinarayanan (2005). They view it as the competence of the business to identify, develop and manage cooperative relations with key customers, characterized by trust, involvement in the relationship and communication.

It is important to mention that Naumov and Shubaeva contribute to the already existing definitions of relationship marketing in theoretical literature. According to them relationship marketing can be defined as „a business philosophy of all participants“, and as „a tool for taking strategic decision aimed at using resources and key competencies for creating customer value“ (Naumov, Shubaeva, 2015, p. 79). Moreover, scientific literature has shown that the formation of relationship marketing policy is based on three key component: identifying and understanding the customers, selecting them and adapting the offering to each of them (Carlos, 2011, p. 72). We think, that the most exact and complete classification of basic components is given by Winer. According to him these components are creating a customer database, analysing the data, selecting the customers, targeting them, developing relationships’ programs, adopting privacy issues and producing a metrics for measuring the results (Winer, 2001).

Summarizing the opinions of the discussed authors, we can make the conclusion that relationship marketing is a combination of competencies in businesses for carrying out marketing activities, connected with establishing, developing and maintaining business relations with customers, as well as the creation of mutual benefits for both sides. They are an important instrument which business have to use in the taking of strategic decisions which in their turn facilitate the effective management of customer relationships. We think that relationship marketing could be viewed by business, including the hotel business, as an important resource for the development of business relations with customers.

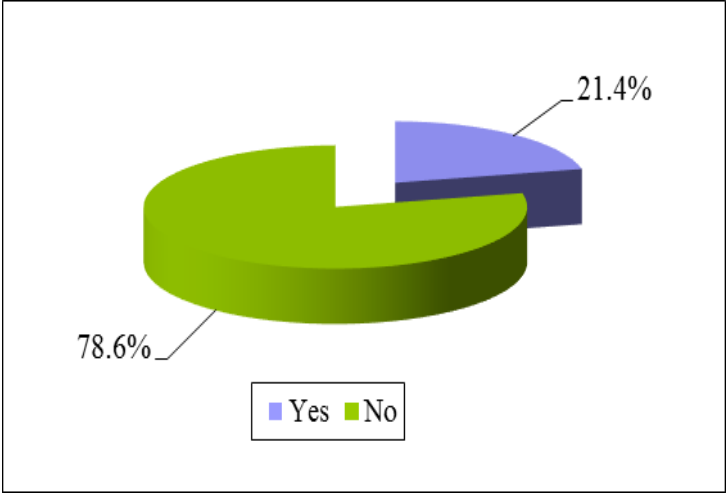
“The correct and targeted application of the methods, mechanisms and techniques of marketing activity in the sector of services can not only work for customer interests and facilitate correct choices, but also contribute greatly for the improvement of competitiveness and effectiveness of the company’s activity” (Tzvetkova, 2014, p. 113). It is important to take into consideration the fact that the ability to carry out effective marketing activity is a prerequisite for the achieving of competition advantage (Koyundziyska-Davidkova, 2016, p. 204).

3. Analysis and Discussion

The main problem in hotel business is the one connected with the establishment of strong connections with potential partners and customers, as well as the consolidation of existing relations. Velikova points out that “there is a growing demand for intelligent specializations which will provide the desired stable intelligent growth. This requires searching and finding of innovative solutions as a result of which to create innovative economic and managerial models.” (2017, p. 41). In this context, it is very important to choose correctly the mechanisms and instruments for the effective market management of hotel businesses. The use of relationship marketing gives excellent opportunity to hotel businesses in the taking of strategic decisions. At the same time results of the survey show that a considerable number of respondents (78.6%) don’t have a special department or a qualified specialist

of relationship marketing (fig. 1). At the same, according to 63.4% of respondents, the staff responsible for customer relations is well-qualified and possesses the necessary marketing competence.

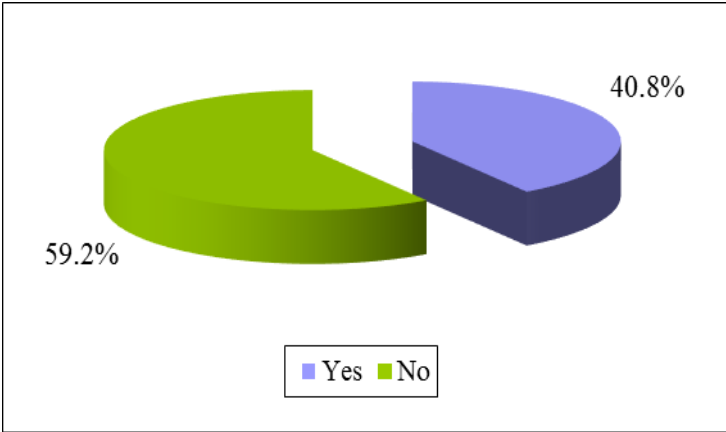
Figure no. 1. Existence of specialized department or specialist in relationship marketing



Source: authors' own survey

To achieve effectiveness in the realization of relationship marketing in hotel business, it is very important to possess a strategy for its management. In this connection, it was found that 59.2% of hotel owners haven't planned or considered planning a strategy for the management of customer relationships (fig. 2). Similarly, not a small number of respondents (32.8%) who claim to have a strategy, answer that they don't have the habit of following it and when necessary taking corrective measure.

Figure no.2. Existing of strategy for management of customer relationships

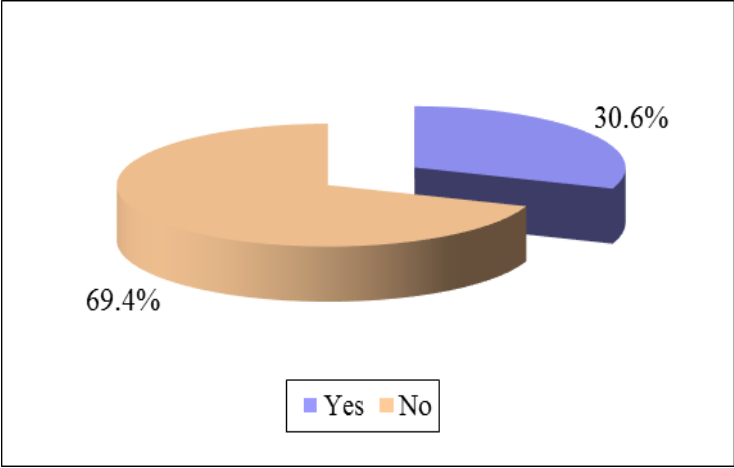


Source: authors' own survey

An important instrument for the realization of the strategy of managing customer relationships is the developed business programme by hotel owners. The results of the survey show that 30.6% of respondents have developed such a programme (fig. 3). At the same time, it becomes obvious that a

small part of hotel business (8.9%) have developed and applied standards for evaluating the effectiveness of their programmes of customer relationship.

Figure no. 3. Existing of programme



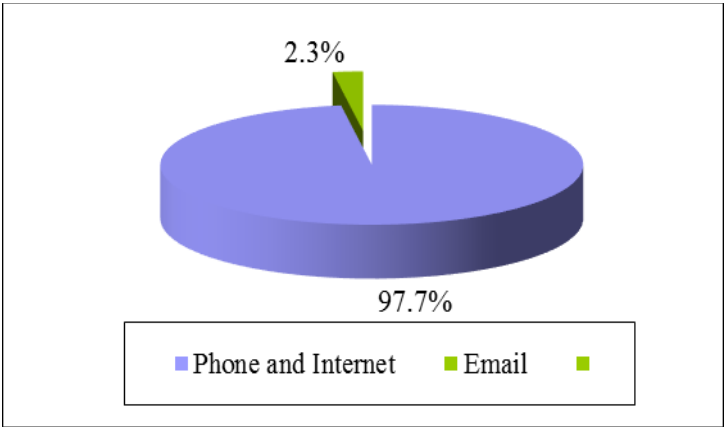
Source: authors' own survey

Of crucial importance for the effective management of customer relationships is the formation of clear vision of them. In this respect, 87.4% of respondents say that they have a clear vision of their clients. However, it was found that despite such claim, a substantial part of them (40.8%) don't have precisely defined aims with respect to the management of customer relationships.

The results of the survey show that nearly a half of respondents underestimate the importance of systematic customer research – for instance, 51.2% of respondents say that there is not systematic research of customers and managerial decision making is based on observation and customer research based only on limited criteria. The most commonly collected information about customers relates to frequency of shopping, average size of purchase, and service expenditures. It is worth mentioning, that 39.7% of respondents possess specialized software for analyzing customers and making deals based on that.

The additional analysis of the customer communication techniques applied by hotel business show that nearly all (97.7%) use phones and the Internet (fig. 4). Only 2.3% of respondents say, that they use emails as a way of keeping contacts with their customers.

Figure no. 4. Applied communication techniques with customers



Source: authors' own survey

Corporate culture is a factor which influences the effectiveness of customer activities in hotel business. The results of research show that a considerable number of respondents (81.3%) have developed procedures aimed at customer activities such as offering, servicing and managing complaints. At the same time, it becomes obvious from the research that only a small part of hotel business (24.5%) organize planned training of staffs to operate with customers.

The results of the research show that the problems faced by hotel business are the following: lack of data base of customers, especially of loyal ones; lack of systematic research, analysis and evaluation of customers; lack of systematic relationship management of customers; lack of flexible programmes of customer relationships; lack of qualified staff in the sphere of relationship marketing .

4. Conclusion

The research of customer relationships should be viewed as a prerequisite for the complete satisfaction of customer demands in hotel business and for the researching of mutual benefit for both sides. Moreover, market changes are so fast and unpredictable in contemporary world that the already established models of marketing behaviour are made redundant (Anastasova, Hristov, 2014, p. 9). Accepting the approach of personalization of customer relationships and the development of long-term partnership with each customer will make it possible to keep the clients for the future. Through the research and analysis of the relations between hotel business and loyal customers, it will become possible to give an answer to the question of which strategic initiatives of the businesses would be successful.

The analysis of the results of our research prove that hotel business don't understand the role of relationship marketing for achieving effective and long-term business relations with customers. Hotel business don't use relationship marketing as an important instrument in taking successful managerial decisions in connection with the better satisfaction of customer needs. It is of great importance to pay serious attention to the management of customer relations because the skilful management is a prerequisite for the achievement of considerable economic effectiveness of the hotel business as well as its high market resistance.

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