**IMPLEMENTATION OF CRM**

**SOLUTIONS IN TOURISM**

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**Abstract**

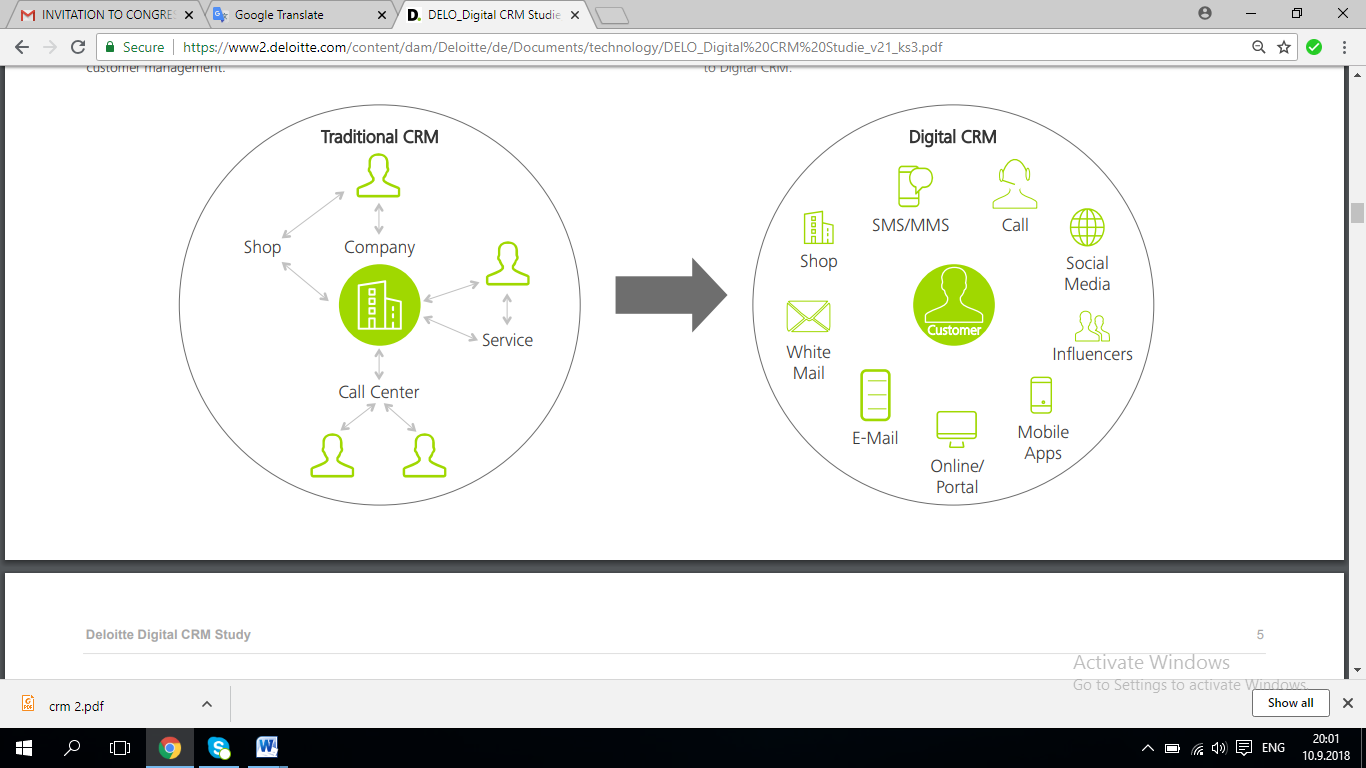
CRM (Customer Relationship Management) technology solutions are becoming a big challenge for business companies in all areas. In an effort to retain customers and expand business operations, businesses implemented CRM solutions. This is especially true when it comes to meeting individual needs in the service industry, especially in tourism. This is so because today the importance of proper implementation of CRM solutions in attracting and retaining customers can not be denied. CRM have a direct effect on the efficient operation of businesses and on generating of their gains.

CRM as a concept through the application of IT solutions is experiencing growth in e-business in tourism. The main goal is to increase profits and optimize costs by improving customer satisfaction through the interaction of each communication with the client. This can be achieved by better understanding of customers needs and offering a favorable tourist service, based on the system analysis of the tourist needs of clients as such.

**Key words:** Customer Relationship Management (CRM), tourism, hotel management, customer relationship, ICT solutions.

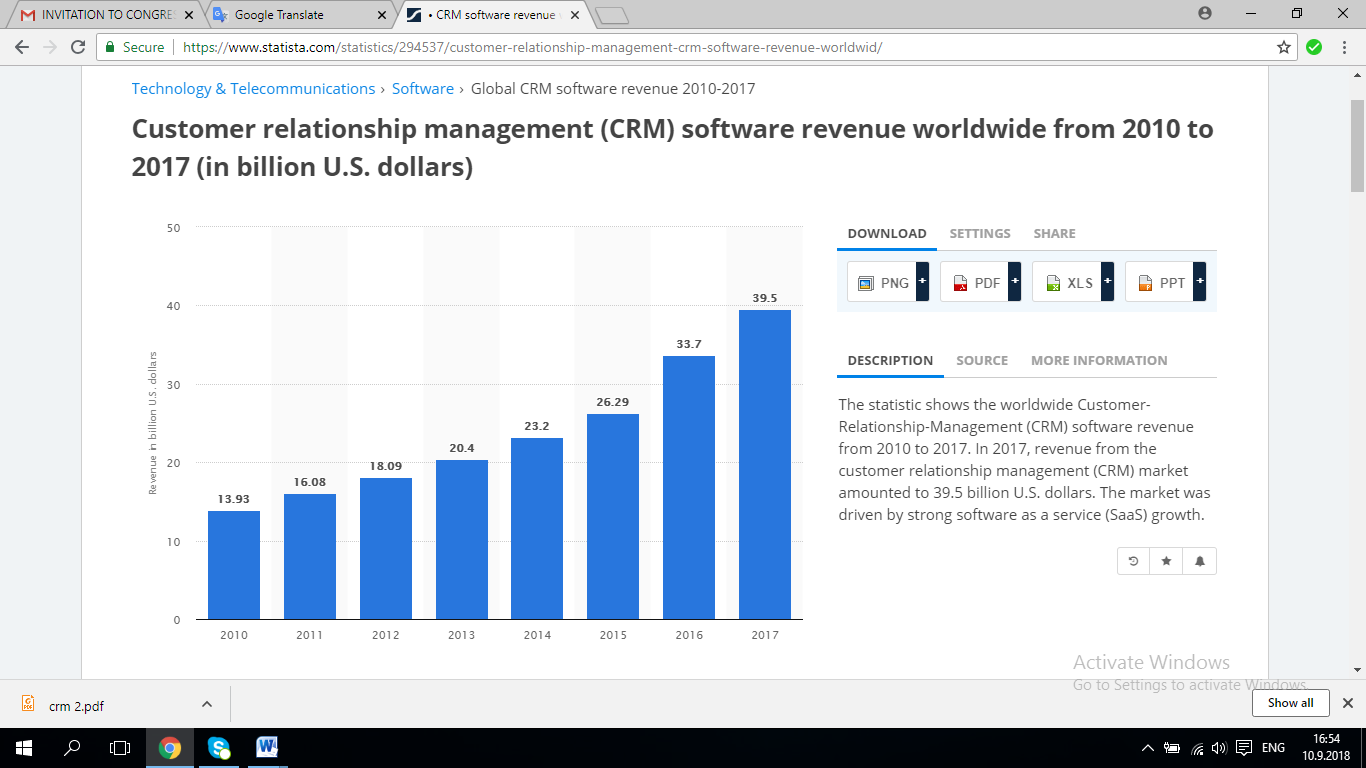
INTRODUCTION

Traditionally, CRM activities focused on automating and supporting internal business processes. Today, the center of the CRM universe is the customer, not the company. With Digital CRM ideally all data is stored in a unified data warehouse.



**Figure 1. Traditional CRM and Digital CRM[[1]](#footnote-1)**

Today there are many advanced IT technologies that offer solutions for making correct and accurate business solutions in the tourism industry. In the paper, the topic of processing is CRM IT Solutions and their implementation, as a very important factor for the development of tourism companies. For the meaning of CRM systems can be seen from the graphic below:



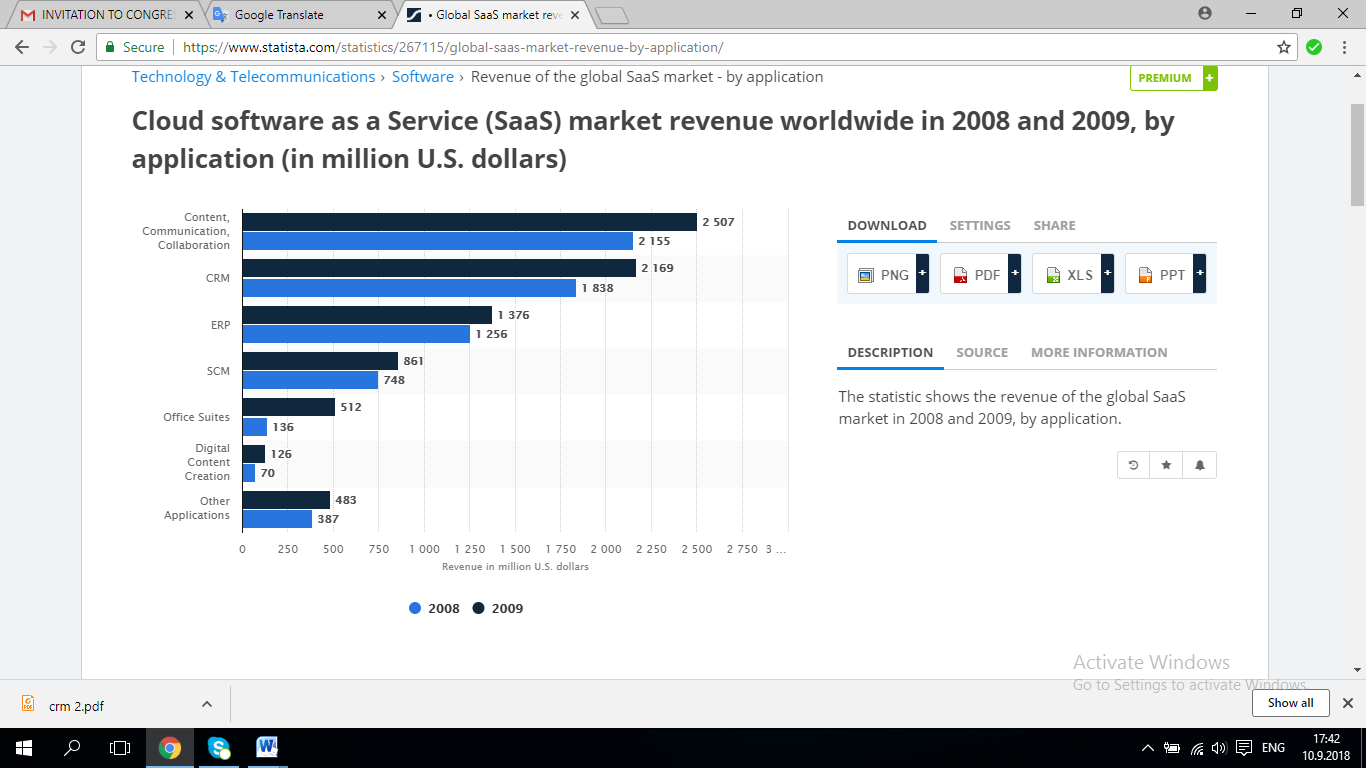
**Figure 2. Customer relationship management (CRM) software revenue worldwide from 2010 to 2017 (in billion U.S. dollars)[[2]](#footnote-2)**

The statistic shows the worldwide Customer Relationship Management (CRM) software revenue from 2010 to 2017. In 2017, revenue from the customer relationship management (CRM) market amounted to 39.5 billion U.S. dollars. The quantitative data from the graph confirm that the CRM technology quickly penetrates into the management of the business processes related to customer relationships.

IMPLEMENTATION OF THE CRM

Implementation of CRM is a complex task for the company, even for a company that has the necessary knowledge, skills, experience and resources already implemented system which is constantly upgraded. Causes of failure in implementation of CRM are different, but mostly they are caused by poor quality of organizational changes, the wrong policies of the company, the incomprehension of the CRM system, poor planning, etc. CRM gives the expected results only if it is fully integrated strategically and operationally in the business and in the information system of the tourism company.

From our research, we decided to present the following chart, because it is quite illustrative. The statistic shows the revenue of the global SaaS market in 2008 and 2009, by application. We see that the CRM software application is in second place according to the global world revenues from the sale of SaaS software in the analyzed period 2008-2009. CRM application realized 331 thousand dollars more income in 2009 or 15.26%. Worldwide  (CRM) software totaled $26.3 billion in 2015, up 12.3 percent from $23.4 billion in 2014, according to Gartner, Inc.



**Figure 3. Cloud software as a Service (SaaS) market revenue worldwide in 2008 and 2009, by application (in million U.S. dollars)[[3]](#footnote-3)**

Overall, the top five CRM software vendors accounted for more than 45 percent of the total market in 2015 (see Table 1).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **2015**  **Revenue** | **2015 Market**  **Share (%)** | **2014**  **Revenue** | **2014 Market**  **Share (%)** |
| Salesforce | 5,170.9 | 19.7 | 4,268.5 | 18.2 |
| SAP | 2,684.4 | 10.2 | 2,669.0 | 13.0 |
| Oracle | 2,046.5 | 7.8 | 2,119.0 | 9.1 |
| Microsoft | 1,141.5 | 4.3 | 951.1 | 4.1 |
| Adobe | 936.8 | 3.6 | 738.1 | 3.2 |
| Others | 14,307.7 | 54.4 | 12,658.3 | 55.4 |
| **Total** | **26,287.8** | **100.0** | **23,404.0** | **100.0** |

**Table 1.** **CRM Software Spending by Vendor, Total Software Revenue Worldwide, 2015 (Millions of Dollars)[[4]](#footnote-4)**

So, companies are aware of the key importance of CRM software solutions in managing customer relations, and therefore the need for its implementation is very important for the competitiveness of the market, ie for the retention of consumers and for the acquisition of potential consumers. But, for successful implementation of CRM software, companies need to create databases for existing customers, but also for potential customers. With software processing of databases, company management will receive very significant information for their customers. By analyzing of that information, management will make appropriate strategic decisions about the relationship with customers in the future.

IMPLEMENTATION OF CRM IN TRAVEL AND HOSPITALITY INDUSTRY

**Customer relationship management (CRM)** is a business strategy that optimizes revenue and profitability while promoting customer satisfaction and loyalty. CRM technologies enable strategy, and identify and manage customer relationships, in person or virtually. CRM software provides functionality to companies in four segments: sales, marketing, customer service and digital commerce. The CRM system in travel and hospitality industry helps concentrate their services, business processes and staff on the acquisition and retention of loyal customers by responding to their individual needs and values. With CRM solution it’s easy to use bookkeeping services, cloud based apps including Google Apps, database, sales tools, analytics and mailing.

CRM system specifically designed for travel agencies includes functions that aimed to satisfy specific needs of travel and hospitality companies. The CRM solution saves time and money by realizing the following tasks:

* *Customer database* allows to track all available information related to customer, travel itinerary, pre-sales and post-sales communication. Using it, travel agents will be able to follow customers’ needs more effectively and on time.
* *Multiple Agents Logins* will help their staff members to perform their activity cohesively and join their forces, knowledge and expertise to gain common goals, operating in logically coordinated manner.
* *Email, Chat, and Back Office Services* can be synchronized with CRM system.
* *Information archive* will supply their business with such data as booking and service history, future bookings, customer preferences, loyalty points, survey results, travel information and more.
* *Analysis of data* will provide their sales and controlling departments with reports on customer and booking data. The powerful analytical tools and sophisticated metrics as part of the CRM solution helps profile and identify their most highest customers as well as estimate the effectiveness of their B2B and B2C moduls of campaigns.
* *Integration with IT environments* allows download a record of e-mail and electronic fax contacts as well as exchange data with other systems such as Tour Operator System or other Travel/Hospitality Information Systems.
* *Contact appointment scheduler* records when, where and how their company communicated with a customer and helps accurately schedule bookings and orders.
* *Booking component* allows to manage all the booking efficiently on real time and have access to this information from anywhere and anytime. CRM system helps travel agents interact more effectively with clients, easily edit, save or update customer-related events, managing all customer activity.

IMPLEMENTATION OF THE DIGITAL SOLUTION IN HOSPITALITY INDUSTRY IN REPUBLIC OF MACEDONIA

In the paper we will present part of the results of the research done about the application of ICT technologies in the operation of the hotels in the Republic of Macedonia, and especially in the hotels in Ohrid.[[5]](#footnote-5) The results of the use of digital technology by the hotels in the Republic of Macedonia, with particular reference to the hotels in Ohrid, are shown on the basis of a survey conducted through a survey questionnaire. The survey was conducted through Google Forms. The interviews were conducted in 10 hotels in the Ohrid region (Metropol Bellevue, Granit, Desaret, Riviera, Throne, Garden, Millennium Palace, Ambassador, Chingo and Montenegro) and 10 hotels on the territory of Macedonia (Montana, Epinal, Holiday Inn, Alexander Palace , Continental, Flamingo, Drim, Sirius, Romantic, and Radika.) The received data were then processed using the IBM SPSS Statistics v.21 software package. The results we received are shown in the form of charts and tables.

| 1. How much information technology is used in your hotel? | | | | | |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | a lot | 10 | 100.0 | 100.0 | 100.0 |

Hotels in Ohrid - a lot Hotels in R. of Macedonia - a lot

| 2. Does the application of information technology influence the improvement of the quality of services? | | | | | |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 10 | 100.0 | 100.0 | 100.0 |

Hotels in Ohrid - Yes Hotels in R. of Macedonia – Yes

| 1. Do you know what CRM (Customer Relationship Management) is? | | | | | |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes | 4 | 40.0 | 40.0 | 40.0 |
| No | 2 | 20.0 | 20.0 | 60.0 |
| Partly | 4 | 40.0 | 40.0 | 100.0 |
| Total | 10 | 100.0 | 100.0 |  |

Yes No Partly

Hotels in Ohrid Hotels in R. of Macedonia

| 1. Does CRM application have an impact on building profitable relationships with customers? | | | | | |
| --- | --- | --- | --- | --- | --- |
|  | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Yes  No | 8  0 | 80.0  0 | 80.0  0 | 80.0  0 |
| Partly | 2 | 20.0 | 20.0 | 100.0 |
| Total | 10 | 100.0 | 100.0 |  |

Yes No Partly

Hotels in Ohrid Hotels in R. of Macedonia

From the analysis of the results of the research clearly defines the need for the application of digital solutions for the overall more successful operation of the hotels in Ohrid and the Republic of Macedonia.

SUMMARY

We can still much more elaborate on CRM solutions, but no matter how we write, we will generally conclude that the implementation of digital CRM solutions is very important for the development of tourism. CRM helps businesses build a relationship with their customers that, in turn, creates loyalty and customer retention. Since customer loyalty and revenue are both qualities that affect a company's revenue, CRM is a management strategy that results in increased profits for a business.

CRM provides to businesses:

* to learn about their customers,
* to become more efficient by organizing and automating certain aspects of the business,
* to optimize their customer interactions and
* To increases customer satisfaction.

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Source: Gartner Inc. (May 2016)

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5. Sime S., master theses: *The Role and the Impact of ICT and the E - business in the Hotels in Ohrid* (2016), Faculty of tourism and hospitality - Ohrid, Macedonia [↑](#footnote-ref-5)