Capability Dimensions Impact of Customer Relationship Management on Marketing Performance of Five-Star Hotels in Southern Nigeria

Christian Kelachukwu Onuchukwu
Department of Marketing
Rivers State University
Port Harcourt
Onuchukwumail@gmail.com
And
Chinedu Nduka
Department of Marketing
Michael Okpara University of Agriculture, Umudike
unclenedum@gmail.com

Abstract

Customer relationship management a strategic tool of 21st century, but most times misconceived. This study conceptualized customer relationship management as an organizational capability anchored on resource base view. Methodologically, a cross-sectional quantitative study, data were sourced from eighteen five-star hotels in southern Nigeria. Findings revealed that all the dimensions of customer relationship management capability wades influence on marketing performance, when isolated, organization one of the dimensions wade the strongest influence on marketing performance. Thus, we recommend that decision makers should anchor their customer relationship management initiative on this.

1.0 Introduction

The hotel sectors a subset and important component of tourism industry, also a promising sector of Nigerian economy. Thus, there is need for a formidable strategy to fast-track returns on investments and vis-à-vis reasonable contribution to the nation's GDP. The sector has experienced continuous growth, expansion and diversification to become one of the fastest growing sectors in the world. Relatively, Customer Relationship Management (CRM) has become one of the new tools needed to achieve organizational success, in the years 2006-2010 it was considered the second-best effective management tool after strategic planning (Darrel, 2010). Since this observation, CRM has become even more relevant due to increased and intense competitive global market, secondly, as a result of economic recession or a decline in global sales, especially in Nigeria. In today's competitive world, CRM is one of the most important strategies for achieving competitive advantage (Eid & Elgohary, 2014, Vallabh, Radder & Venter, 2015). Building closer ties with customers by management is to continue the flow of desired business activities and has become a competitive advantage for many firms (Roberts-Phelps, 2001). Fan (2011) believes that while information technology offers a wide range of alternative customer service improvement solutions, CRM technologies are the most popular among these technologies. CRM is seen as a tool for increase in customer loyalty and overall profitability, especially in the hotel industry.

Therefore, CRM exposes organizations or institutions to a wide range of business benefits, such as profitability through customer satisfaction, loyalty, etc (Nguyan & Mutum, 2012;), at the same time, it enables effective communication between the organization and its clients. CRM is recognized as an important instrument of service quality and rapid response to market changes. Due to technological advances, researchers presently are laying emphasis on electronic CRM as a sign of a paradigm shift to improve on strategy and organizational flexibility (Sigala, 2011), and as part of a fast response to the dynamic business environment.

2.0 Theoretical Framework for CRM as an Organizational Capability

Researchers have for long acknowledged and synthesized CRM as an organizational capability, this many times they have linked to the Resource Base View (RBV), in support of the frameworks' impact (CRM capability) on marketing performance (Keramati, Mehrabi, & Mojir, 2010; Kim & Kim, 2009; Rapp, Trainor, & Agnihotri, 2010). Following this line of thinking, Feng (2012) argue that customer orientation, customer centric management systems and CRM technology influence organizational performance through three CRM capabilities (interaction, management relationship upgrading and win-back). In this light Kim & Kim (2009) concluded that infrastructural elements (IT infrastructure, human capital and strategic alignment) influence CRM processes. Coltman, Devinney & Midgley (2011) argue that CRM capability comprises three parts (i) IT infrastructure (CRM technology and customer information); (ii) human analytic-based resources (employees proficiency to deploy data skillfully and (iii) business architecture and structural capability (incentives and management controls that support CRM). Greve & Albers (2006) posits that CRM technology, organizational design and culture need to be aligned to support the CRM relational processes. The resource based view (BBV) provides a suitable multidimensional perspective to the application of CRM since it links superior performance to several resources and capabilities possessed by firms. Cardinal to this theory is that capabilities represent the ability of the organization to efficiently harness a number of resources. Thus, for us in this paper CRM capabilities represents deliberate and consistent improvement in organization's human, technical and business related capabilities. Isolating these resources might not yield desired result and may be difficult to measure on their own since they are structured within complicated organizational system of interrelated and interdependent processes. This necessitates managers to combine IT infrastructure, human skill, business structures and incentives. Also keeping abreast with the fact that RBV is premised on the fact that resources and capability development are selective and path dependent. This is in line with what some scholars refer to as IT business value (Melville *et. al.*, 2005) and CRM program success according to several studies by (Day 2002:2003).

2.1 Customer Orientation a Dimension of CRMC

Customer orientation alludes to a lot of convictions that principally put the customer's satisfaction first and above other interest within and outside the organization in pursuit of long lasting and beneficial relationship (Deshpande, Farley & Webster 1993). Customer oriented culture contains values and convictions on which measures for adequate conduct are based (Bentum & Stone, 2005). In the view of Roberts, Liu & Hazard (2005), customer centricity is the primus and the first among equals for conditions put in place for CRM readiness by any organization. As opposed to transaction orientation a relationship orientation is imbedded in corporate mind-self norms as well as value system, this becomes major influence of all dealings with customers'. For us, customer orientation is defined to be cultural propensity to undertake CRM, characterized as the organization's inclination of the relationship. Jayachandran et al., (2005), Day & Van cave Bulte (2002) found that orientation wades positive impacts and effects on performance wherein it is considered as CRMC. Chen & Chen (2004) asserted that customer orientation culture is key to e-

CRM and clients' orientation is the way to the accomplishment of e-CRM. Essawa & Azab (2012) found that customer orientation situated hierarchical organizational culture and has a solid positive effect on e-CRM status. The aftereffects of Minami & Dawson (2008) & Yilmaz et al. (2005) demonstrated that a more grounded customer orientation attitude positively affects the organizations' outcomes and performance. Zhu & Nakata (2007) expressed that customer orientation enhances market performance, which thusly influences financial outcomes.

Wang & Feng (2012) likewise empirically demonstrated that customer orientation impacts on performance through CRM capabilities. Sin et al. (2005), Soliman (2011) & Yim et al. (2004) found that key customer focus positively impacts on performance. Jayachandran et al. (2005) found that clients focused culture by implication influences performance through CRM processes. Also customer orientation culture influences performance (Garrido-Moreno & Padilla-Melendez, 2011). In accordance with the above discourse, it will not be out of place arguing that customer orientation is an indispensable dimension of CRM, and likely a major contributor to corporate performance. As a matter of first importance, a firm's main principal objective will always remain customer and market orientation, this is because it is this move that ensures customer long-lasting satisfaction and sustain loyalty. This is re-echoed by the fact that several studies have established the fact that good customer oriented behavior in any organization certainly ensures tremendous positive impact on performance (Kim, 2008; Yilmaz, Alpkan & Ergun 2005). So also, King & Burgess (2008) concluded that customer orientation is crucial and essential factor in implementing CRM successfully.

Moreover, recent scholarly publications reveal that service organization such as hotels requires a precise understanding of customers which definitely is of high importance to their performance (Kim, Lee & Yoo 2006; Sin et al., 2005). As in all service firms' service delivery takes place during interaction between service personnel and service receiver (Kilee Neon Nam & Ahlee 2006). Subsequently, in pursuit for a better service experience firms need to concentrate on customer interaction. Customer orientation can be accomplished through positive relationship between the client and service provider, research have established and supported the fact that customer orientation has a link with firms' performance (Asikhia, 2010, Lui, Luo & Shi 2003; Zhou, Brown & Dev, 2009). Furthermore, customer orientation is likewise one of the promoting sources that help firms comprehend the client, and along these lines help in giving a proper attention to address the issues of clients (Lui et al., 2003). Notwithstanding, several empirical investigations have exhibited the connection between orientation and marketing planning capabilities (Morgan Vorhies & Mason 2009, Palandran & Speed 1996). Besides, the positive and beneficial effect of customer orientation on customer loyalty and organizational performance is enormous.

2.2 CRM Processes or Knowledge Management a Dimension of CRMC

CRM processes are every now and again considered as the lifetime periods of customer relationship, to be explicit; it has to do with the beginning, upkeep, support, and termination of relationship (Ngai et al., 2009: Greve & Albers, 2006; Reinartz et al., 2004). Presently, more researchers moved attention and interest from CRM processes to knowledge management (KM) (e.g Abdul alem, Basri, & Taliir, 2013; Garrido-Moreno & Padilla-Meldndez. 2011; Croteau & Li, 2003)Thus, literature at our disposal reveals that both are similar, research have examined the basis of information processes in the light of CRM. Literature with respect to market orientation (Jaworski & Kohli, 1993; Narver & Slater, 1990; Slater & Narver, 2000) and marketing information use (Menon & Varadarajan, 1992; Moorman, 1995) have since a long time perceived the importance and the need for marketing information acquisition dissemination and use for marketing performance. For us in this research, CRM processes have to do with necessary routines in managing customer information so as to sustain long term and sustainable relationships (Javachandran et al., 2005). Three related information processes are put into consideration, these are; information correspondence, information catch, and information use. Information correspondence implies astute exchanges (interactions) between the customers and the firm.

Nevertheless, information capture has to do with sourcing of information from all contact centers with customers. Information use shapes consolidates and use the information to understand the necessities of the customers and to make fitting responses to such needs, similarly as to identify high value customers (Jayachandran et al., 2005). Notably, Ismail et al. (2007) validated a positive association between CRM information stream (correspondence), catch, and use on one hand and various levels of advantages on the other hand. Jayachandran et al. (2005) found that CRM processes strongly sway customer satisfaction and retention. According to Moorman (1995), information use processes are strong pointers of new product performance, promptness and higher creativity. Asikhia (2010) demonstrated through its study that customer responses and behaviors' positively impacts on marketing competence. Croteau & Li (2003) & Yim et al., (2004) empirically reported a positive association between KM processes on financial result through its impact on customer equity satisfaction and value. Kim & Kim (2009) saw that the effect of CRM process on financial related performance is through its effect on customer esteem, regard and satisfaction. For a study, Ryals (2005) found that CRM practices realized 250% improvement on performance. Srinivasan & Moorman (2005) empirically established the fact that market information acquired; disseminated and responsiveness process impacts strongly on online retailers. Dutu & Halmajan (2011), Reinartz et al., (2004), & Shavazi, Moshabaki, Hoseini & Naiej (2013) found that relationship initiated and maintained significantly impacts on corporate performance. In addition, Wang & Feng (2012) demonstrated that CRM abilities (portrayed like CRM process) impacts on performance. Literature at our disposal validates essentiality of CRM processes on corporate performance.

2.2.1 CRM-Based Technology a Dimension of CRMC

Several scholarly enquires have demonstrated the direct and indirect impact of CRM technology on performance. Abdul Alem, Basri & Shaharaddin (2013), Akroush, Dahiyat Gharaibeh (2011), Ata & Toker, (2012), Kasim & Mina (2009) reported that CRM technology is a significant predictor of performance. Mithas et al., (2005) empirically concluded that the use of CRM technology showcased a higher customer satisfaction. Also, Information Communication Technology (ICT) diffusion demonstrated a positive effect on market and organization effectiveness (Papastathopoulou, Avlonitis, & Panagopoulos, 2007). Minami and Dawson (2008) found that CRM data warehousing and analytical data tools wades performance influence on organizations. They went further to establish a positive impact of CRM implementation on customization activities. Chen & Ching (2004), Wu & Lu (2012) empirically averred that CRM processes mediate the effects of IT on CRM performance. On the other hand, Day & Van den Bulte (2002) argue that CRM database and customer information system (IS) has no effect on relational performance. Similarly, CRM technology infrastructure proved no direct impact on organizational performance (Garrido-Moreno & Padilla-Melendez, 2011; Ray, Muhanna & Barney 2005; Yim et al., 2004). Researchers reported mixed findings as regards to moderating effect of CRM technology. Reinartz et al. (2004) investigation reported that CRM technology does not moderate the impact on the relationship between CRM-based technology and performance. While Zhu & Nakata (2007) concluded that IT strength moderates the effect of customer orientation on performance. Based on most of these empirical findings, there is a nexus between CRM technology and performance.

Furthermore, Duty & Halmajan (2011) are of the opinion that CRM strategy will end in failure and fruitless if information technology is not harnessed adequately, thus the suitable use of technology in marketing with no doubt is one of the greatest opportunities in hotel industry, because of the need and importance to get the right information from the right people at the right time, so that the right decisions can be made and/or services rendered. Apparently, in lending a support to this view Kasim & Miniai (2009) find out that CRM technology dimension is firmly linked to hotel performance, since hotels need to use information technology for improving their performance, in this regard, state-of-the-art technologies are considered as the core drivers for change in 21st century digital economy. Interestingly, several studies, conducted concerning information technology on organizational marketing outcomes report similar findings about positive role it plays on CRM strategy. In other words, these studies demonstrated that many customer centric strategies cannot be realistic without the help of IT (Abdullateef, Mokhrar & Yusoff et al., 2010, Eid 2007; Ozgener & Iraz 2006; Sigala, 2005; Sin et al 2005; Yeh et al, 2010). Consequently, CRM based technology enables and enhances organizational plan and successful implementation of marketing decisions geared towards retaining customers and make them more profitable, owing to availability of customer data base and every other information-storing, retrieval and usage systems (Roberts, Liu & Hazard, 2005). Additionally, Chang, Park & Chaiy (2010) empirically confirm that CRM technology improves marketing performance by providing valuable information about customers, which, in turn, will help both managers and employees to achieve specific marketing goals much more effectively.

2.3 CRM Organization a Dimension of CRMC

As firms build their structures and management procedure with their market goals, they become more prompt in responding to their customers, which eventually leads to superior performance (Reinartz et al, 2004). CRM organizing is the supporting organizational structure, incentives, resources allocation and managerial mechanism that enables building sustainable customer relationships (Day & Vanden-Bulte 2002; Jayachandran et al., 2005; Sin et al., 2005). Organizational structures that projects cross functional communication and coordination, as well as rewards and training programs designed around customer's needs which results to higher relationship quality, and in turn positively influenced organizational performance (Chang, 2007). Greve & Albers (2006) agree that organizational alignment positively influence CRM performance. Day and Vanden Bulte (2002) study showed that CRM configuration component is the most important predictor of performance. Several studies reported a strong positive influence of CRM organization on different aspects of business performance. For example, Yim el al., (2004) reported that CRM organizing increases customer retention, which in turn results in higher sales growth. Abdu Alem et al. (2013), Akroush et al (2011) reported that CRM organization is a key determinant of financial and marketing performance, in addition to improving internal processes and learning and growth according to Abdul Alem et al. (2013). Garrido-Moreno & Padilla-Meldndez (2011) found that CRM factors that had to do with firm arise as the strongest determinant of marketing performance and general corporate performance to the extent that it completely mediated the impact of the other determinants (CRM technology, CM process, customer orientation) on performance. The above review provides strong support to the impact of CRM organization on performance. First and foremost, to enhance service delivery employees have to inculcate customer-orientated behaviors, but more importantly organizations have to develop working environment for service at work, for instance, providing staff with modern tools and technology, customer-satisfaction tracking and complaints management system, inspirational leadership, and appropriate rewards systems. As a result of the previous supportive working conditions, organizations should as well ensure the required customer oriented behaviors of their employees (Mechinda & Patterson, 2011).

2.4 Profitability

It is the excess of total income over total expenses during a given period of time. Profitability is one of the indices used to measure corporate performance. The task of any business is to deliver customer value at a profit, (Kotler, et al., 2007). Profitability is ability of a firm to generate net income on a consistent basis. It is often measured by price to earnings ratio (businessdictionary.com, 2010). Profit is financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity. However, managers are now paying more attention to profit not just sales, profit and profitability appraisal, will touch virtually every aspect of marketing and is the thread which runs right through the corporate and marketing planning organization. Based on the discussion so far we state the following hypotheses.

Ho_1: Customer orientation does not significantly influence profitability.
Ho_2: CRM processes do not significantly influence profitability.
Ho_3: CRM based-technology does not significantly influence profitability
Ho_4: CRM organization does not significantly influence profitability.

3.0 Study Conceptual Framework

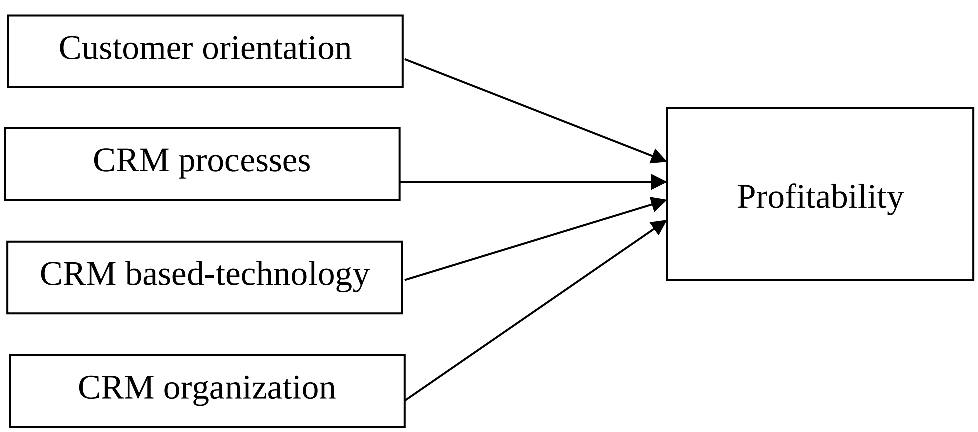

Fig 1: Impact of CRM dimension capability on profitability.

In this study, the independent variables were customer relationship management capability dimensions which are customer orientation (CO), knowledge management (KM), CRM organization (CRMO), CRM-based technology (CRMBT) and dependent variable profitability.

3.1 Methodology

Data were collected from eighteen (18) large five-star hotels with employees ranging from 100 to 150. A total of 90 questionnaires were distributed personally by the researchers. 75 completed copies of questionnaires were returned yielding a response rate of 83.3% while 7.8% were not retrieved and 8.9% discarded. Respondent's positions were; general managers (16.6%), director of sales and marketing (16.6%), sale manager (16.6%), reservation officer (16.6%), customer complain manager (16.6%) and front office manager (16.6%). These firms, our preliminary investigation reveal they all have integrated CRM packages. Measurement scales was developed by the researcher. The phrasing of the questions was refined using comments and input of experts and colleagues. The instrument were subjected to face validity involving the scrutiny of informed persons in the field, in fact, the instrument represents the property of the measure. Cronback's Alpha (a) was used to measure reliability of the research instrument that describes the factor/constructs SPSS processes and/or knowledge management, CRM based-technology and CRM organization respectively indicating that the instrument was reliable. Data were analyzed with Spearman Rank Order Correlation Statistical tool with the aid SPSS version (20) as can be seen in the table below.

Table 2.1: Reliability statistics

S/n	Construct	Number of cases	No of items	Cronbach's Alpha
1.	Customer orientation	75	16	.820
2.	CRM processes/knowledge management	75	17	.885
3.	CRM based technology	75	16	.927
4.	CRM organization	75	16	.844
5.	Profitability	75	5	.882

Source: SPSS output version 20

4.0 Analysis and Discussion of Findings

H0₁: CRM customer orientation do not significantly influence profitability

Table 2.2: Correlation between Customer Orientation and Profitability

Correlations

			CUSTOMER ORIENTATION	PROFITABILITY
Spearman's rho	CUSTOMER ORIENTATION	Correlation Coefficient	1.000	.439**
		Sig. (2-tailed)	.	.000
		N	75	75
	PROFITABILITY	Correlation Coefficient	.439**	1.000
		Sig. (2-tailed)	.000	.
		N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 20.0 output (based on 2019 field survey data) detail in appendices

Result from table above shows that the correlation coefficient ($r = 0.439$) between customer orientation and profitability is moderate and positive. The coefficient of determination ($r^2 = 0.19$) indicates that 19% of profitability can be influenced by customer orientation. The significant value of 0.00 ($p<0.05$) reveals a significant relationship. Based on that, the null hypothesis is rejected. Therefore, customer orientation has significant influence on profitability. This study argue that organizations that adopt a customer oriented behavior having understood customer needs and developing applicable strategies to satisfy then will likely influence its marketing capabilities, this do not in any way vary with the findings of Richards and Jones (2008), Stockdale (2007), Akrough *et. al.,* (2011), Lee, Naylor & Chen, (2010). The test on CRM orientation on profitability, having accepted the alternate hypothesis; it therefore means that there is a significant relationship between CRM customer orientation and profitability. It implies that managers of these firms have inbuilt system of customer centrism in their system. Therefore, it is trite to posit that the entire organization is immersed in customer orientation. These findings reflect practical reality and can find its place in literature and theoretical postulations when put into consideration the prominent role and place customer orientation plays in any organization, in that it is the life wire of any organization. The interaction between CRM customer orientation and profitability looking into our findings is significantly positive with correlation coefficient ($r = 4.39$ $p>0.05$), from the result it can be argued that these variables can or moves in the same direction which means that increase in one will lead to a reactionary or subsequent increase in the other. The result shows that customer orientation will account for at least 19% of profitability since $R^2 = 0.19$. This agrees with Narver & Slater 2000) findings.

H0$_2$: CRM processes does not significantly influence profitability

Correlation between CRM Processes or knowledge management and Profitability

Correlations

			PROCESS/KNOWLEDGE MANAGEMENT	PROFITABILITY
Spearman's rho	PROCESS/KNOWLEDGE MANAGEMENT	Correlation Coefficient	1.000	.390**
		Sig. (2-tailed)	.	.001
		N	75	75
	PROFITABILITY	Correlation Coefficient	.390**	1.000
		Sig. (2-tailed)	.001	.
		N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 20.0 output (based on 2019 field survey data)

Result from above table shows that the correlation coefficient ($r = 0.390$) between CRM processes and profitability is weak and positive. The coefficient of determination ($r^2 = 0.15$) indicates that 15% of the profitability can be influenced by CRM processes. The significant value of 0.00 ($p<0.05$) reveals a significant relationship. Based on that, the null hypothesis is rejected. Therefore, CRM processes have significant influence on profitability. For test of Ho_2 CRM processes and profitability attracts moderate and positive correlation coefficient ($r=0.390$ $p>0.05$) as processes improves, its impact on profitability increases vis-à-vis, it accounts for at least 15% increase in profitability as demonstrated in our result. This finding is consistent with previous studies (Bashir et al, 2014, Elkord 2014, Kim and Kim 2019 etc). The explanation of this finding is that relationship initiation retention and termination if properly managed will lead to higher profit margin as the entire processes have both direct and indirect impact on profitability.

H0$_3$: CRM based technology does not significantly influence profitability **Correlation between CRM Based Technology and Profitability**

Correlations

			BASED TECHNOLOGY AND MARKETING PERFORMANCE	PROFITABILITY
Spearman's rho	BASED TECHNOLOGY AND MARKETING PERFORMANCE	Correlation Coefficient	1.000	.425**
		Sig. (2-tailed)	.	.000
		N	75	75
	PROFITABILITY	Correlation Coefficient	.425**	1.000
		Sig. (2-tailed)	.000	.
		N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 20.0 output (based on 2019 field survey data)

Result from table4.19 above shows that the correlation coefficient ($r = 0.425$) between CRM technology and profitability is significant, moderate and positive. The coefficient of determination ($r^2 = 0.18$) indicates that 18% of the profitability can be influenced by CRM technology. The significant value of 0.00 ($p<0.05$) reveals a significant relationship. Based on that, the null hypothesis is rejected. Therefore, CRM technology has significant influence on profitability. Test of Ho$_3$ showed that CRM based technology attracts significant, moderate and positive interaction with profitability (0.425, $p<0.05$), the nexus between profitability and CRM-based technology is strong accounting for at least 18% of profit. It equally follows that improvement or increase in technology will lead to increase in profit with the coefficient of determination ($r^2 = 0.18$). To lend support to this finding previous studies such as (Wu & Lu 2012; Adul Alem et al 2013; Elkordy 2014), all support the notion that state-of-the-art technology impacts on corporate performance vis-à-vis profitability.

H0$_4$: CRM organization does not influence profitability.

Correlation between CRM Organization and Profitability

Correlations

			ORGANISATION AND MARKETING PERFORMANCE	PROFITABILITY
Spearman's rho	ORGANISATION AND MARKETING PERFORMANCE	Correlation Coefficient	1.000	.498**
		Sig. (2-tailed)	.	.000
		N	75	75
	PROFITABILITY	Correlation Coefficient	.498**	1.000
		Sig. (2-tailed)	.000	.
		N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 20.0 output (based on 2019 field survey data)

Result from the table above shows that the correlation coefficient ($r = 0.498$) between CRM organization and profitability is significant, moderate and positive. The coefficient of determination ($r^2 = 0.25$) indicates that 25% of the profitability can be influenced by CRM organization. The significant value of 0.00 ($p<0.05$) reveals a significant relationship. Based on that, the null hypothesis is rejected. Therefore, CRM organization has significant influence on profitability. Test of $H0_4$ found that CRM organization attracts significant, moderate and positive interaction with profitability with ($r = 0.498$, $p<0.05$) and a direct weighted average impact ($r^2 = 0.18$) which implies that improved organizational system account for at least 18% of profitability. There is a clear evidence that the two variables moves towards one direction, the relationship is a positive one, the finding does not as much vary from previous once (Cheng, 2007; Grave & Albers 2006; Birshir et al 2014).

4.1 Discussion

Generally, all the dimensions of CRMC exhibited and demonstrated a positive link to marketing performance. However, if we isolate the dimension and measure them simultaneously CRM organization out stood others as key determinant of marketing performance. Also, there are several other empirical evidence to attest and affirm this, the importance and impact of CRM organization on performance (Yim *et. al.*, 2004; Mohammed & Rashed, 2016). In Garrido- Moreno & Padilla-Melendez (2011) CRM organization demonstrated a direct antecedent to performance acting as a mediator to other determinants. Going by the resource base view (RBV), an organization competitive advantage lies on its ability to optimize its valuable resources in full, it therefore means that, with the best of CRM technologies, well rooted customer oriented culture and balanced CRM processes, not much progress will be recorded until the firm aligns its CRM organization to actualize the full potential of these resources.

In line with specific objective of this study, to determine the degree of relationship between the dimensions of the independent variable on marketing performance. Our findings supports that capability has a strong link to performance. Nevertheless, our results emphasize the key point that successful implementation of CRM program requires more than just technology and if firms focus only on this aspect, the effort may not yield required or desired outcome but rather disappointing. From our result, we can argue that successful implementation of CRM requires a strong people-related components. Considering the level of our development in establishing a relationship with company potential customers would rather confide with people rather than technology-driven system (Reinartz, Krafft & Hoyer, 2004).

4.2 Practical Implication

The study explored strategic tool of CRM in response often but crucial question often raised 'why one succeeds and other fails', this researchers are still scrambling for precise answer. The study deployed resource base view as CRM footing for better performance. CRM frequently used have lost its potency, and leads to the failure of the program since it is poorly measured and managed. This study demonstrates that CRM initiatives can be anchored on and as the firms' capability for superior performance; management attention is drawn to the fact that when CRM program can capture customer latent and unarticulated needs, value delivery that competitors cannot match becomes inevitable. This is even clear acknowledging the fact firms that outperform others base their strategies on proactive and not reactive market trends. It equally implies that the strength of a CRM initiative is measured on its ability to move the organization from where they to where they want to be.

4.3 Conclusion

This study provides ample evidence on CRM an organizational capability, result shows that the bonding of the dimensions of the independent variable will result to a superior performance. The result of this study can be acted upon by decision makers in an effort for a better performance.

4.4 Limitations and Suggestion for further Studies

Findings of this study do not automatically apply to every setting for obvious reasons, differences in industry demands that peculiarity of industries should be considered before generalization. Therefore, extended data and measures are required by replicating this study on other geographic locations and industries in order to ensure validity and reliability and possibly build theories. Secondly, some errors seemed to unavoidable in the course of converting data (e.g, from ordinal to interval scales) just as all measures used appear subjective and prone to common method bias. Thirdly, other geographic factors not captured in the study may be handled by future researchers. Future research can expand the dimensions of the independent variables and other measures of the dependent variables not captured in the study. The model summary of the study reveals weaknesses in terms of its predictive power. This is why we suggest integration of other factors that may better predict market performance.

However, our limitations are also owing to the fact that our study focused on four dimension of CRM against three dimensions of marketing performance, further studies can expand either dimension of CRM or measures of marketing performance. Secondly our intention is for senior managers to fill our questionnaire but we don’t know if they are the actual once that are going to fill them. The findings of this study may not automatically apply to every industry and/or economy, since one sure way of building external validity is conducting similar surveys in other industries (Shian, Han & Wang 2009) and perhaps doing it repeatedly to take advantage of environmental changes, to control extraneous variables and build laws.

References

Abdulalem, M., Basri, R. & Shahruddin, T. (2010). The influence of CRM dimensions on marketing capabilities in hotel in Industry. *International conference on Business Accounting, Finance and Economic BAFE* (2016).

Abdul-Alem, M., Basri, R., & Shaharuddin T. (2013). Assessing the influence of customer relationship management (CRM) dimensions on organizational performance. An empirical study in the hotel industry, *Journal of Hospitality and Tourism Technology*, 4(3), 228-247.

Akroush, N.M., Dahiyat, E.S., Gharaibeh, S.H., & Abu-Lail, N.B. (2011). Customer relationship management implementation. An investigation of a scale's generalizability and its relationship with business performance in a developing country context. *International Journal of Commerce and Management*, 21(2), 158-191.

Albert, C. (2003). The impact of switching costs on customers of mobile telephone. *Journal of Targeting Measurement and Analysis for Marketing* 12(3) 256-268.

Alvarez, R. & Crespi, C. (2003). Determinants of technical efficiency in small firms, *Small Business Economics* 20 (3), 233-244.

Ambler, T. & Kokknaki, F. (1997). Measures of Marketing success, *Journal of marketing management* 13,(no) 665-678.

Asikhia, O. (2010). Customer orientation and firm performance among Nigerian small and medium scale business. *International Journal of Marketing studies* 2(1) no no.

Barry, J.M., Dion, P. & Johnson, W. (2008). A cross-cultural examination of relationship strength in B2B services. *Journal of Services Marketing* 22, 114-135.

Bashir, D.A., Aliguolayemi, A., & Noor, A. (2014). A review of inconsistency in CRM measurement: evidence from the telecommunication industry. *Journal of International Business and Economics* 2(2), 107-131.

Becker, J.U., Greve, G. & Albers S. (2009). The impact of technological and organizational implementation of CRM on customer acquisition, maintenance and retention, *Internal Journal of Research in Marketing*, 26 No 207-215.

Bell, D.E., Keeney, R.L., & Little, J.D.C (2008). A market share theory. *Journal of Marketing Research*, 12(2), 10-17.

Bentum, R.V. & Stone, M. (2005). Customer relationship management and the impact of corporate culture – a European study. *Journal of Database marketing & customer strategy Management.*

Bosworth, B.P., & Triplett, J.E. (200). *What's new about the new economy? IT, economic growth and productivity*. Washington, DC. Bookings institution

Burnham, T.A., Judy, K.F & Vijay, M. (2003). Customer research costs, a typology, antecedents and consequences, *Journal of the Academy of Marketing Science* 31(2), 109-126.

Cameran, M., Peter, M. & Angela, P. (2010), Customer Satisfaction, Corporate Image, and Service Quality in Professional Services, *Service Industries Journal, 3* (3), 421-435.

Campbell, A.J (2003). Creating customer knowledge competence: managing customer relationship management programs strategically. *Industrial Marketing Management* 32(5), 375-383.

Carter, R. E. (2009). The impact of perceived service quality on MBA students satisfaction and recommendations: Do expectations matter? *Services Marketing Quarterly*, 30 (3), 234-248.

Chang, W., Park, J.E. & Chaiy, S. (2010). How does CRM technology transform into organizational performance? A mediating role of marketing capability. *Journal of Business Research* 63(8), 849-855.

Chen, I.J., & Popovic, K. (2003). Understanding customer relationship management. *Business Process Management Journal,* 9(5), 672-688

Cheng, & Lo, (2004). Firm size technical efficiency and productivity growth in Chinese industry working paper 144.

Cohman, T. Devinney, T.M & Midgley, D.F (2011). Customer relationship management and firm performance, *Journal of Information Technology* 26(3), 205-219.

Corrado, C., Hulten, C., Jona-Lasinio, C., & Lommi, M. (2013). Innovation and intangible investment in Europe, Japan and the United States. *Review Oxford of Economic Policy*, 29(2), 261-286.

Coltman, T. (2007b). Why build a customer relationship capability? The journal of financial services marketing 12(2), 102-114.

Croteau, A.M., & Li, P. (2003). Critical success factors of CRM technological initiatives. *Canadian journal of administrative sciences,* 20(1), 21-34.

Da Silva, R.V. & Rahimi, I.D (2007). A critical success factor model for CRM implementation. *Int. J. Electronic customer relationship management* 1(1), 3-15.

Dalrymple, D., Cron, W., & Decarlo, W. (2004). *Sales management*. Wiley: New Jersey

Darrel, R. (2010). Top 10 management tools http://www.bain.com/management-tools, bain top ten tools/default.asp. Accessed 16th March, 2018.

Dav, C.S., & Olsen, M. (2000). Marketing challenges for the next decade. Hotel and restaurant. *Administrative Quarterly* 41(1), 44-47.

Davis, F.D., (1989). Perceived usefulness, perceived ease of use, and user acceptance of computer technology. *MIS quarterly*, 13(3), 319-340.

Day, D.S & Van den Bulte, C. (2000). Superiority in customer relationship management: consequences for competitive advantage and performance, Cambridge. MA marketing science institute.

Day, G.S. (2003). Creating a superior customer-relating capability mix sloan management review, 44 (3) 77-82.

Day, G.S., & Van-den Bulte, C. (2002). *Superiority in customer relationship management: consequences for competitive advantage and performance.* Report No. 020123. Cambridge, M.A: Marketing science institute. doi :http://dx.doi.org/10.1108/08858621211251497

Dean, A.M. (2007). The impact of the customer orientation of a call center employees on customers' affective commitment and loyalty. *Journal of Service Research* 10(2), 162-173.

Deshpande, R. Farley, J.U., & Webstar, (1993). Corporate culture, customer orientation and innovativeness in Japanese firms: *A Quadrad Analysis Journal of Marketing* 57(1) no no, Doi:10.2307/1252055.

Dutu, C. & Halmajan, H. (2011). The effect of organizational readiness on CRM and business performance. *International Journal of Computers,* 1(2), 106-114.

Eid, R. & Ei-Gohary, H. (2014). Testing and validating customer relationship management implementation constructs in Egyptian tourism organizations; *Journal of travel & tourism marketing* 31(3), 344-365.

Eid, R. & El- Gohary, H. (2014). Testing and validating customer relationship management implementation constructs in Egyptian tourism organizations, *Journal of travel & Tourism marketing* 31(3), 344-365.

Eid, R. (2007). Towards a successful CRM implementation in banks: an integrated model. *The services industry journal*, 27(8), 1021-1039.

Elkordy, M. (2014). The impact of CRM capability dimensions on organizational performance, *European Journal of Business and Social Sciences*, 2(10), 128-146.

Fan, F. (2011). The impact of customer service through information systems for the lodging industry. Available : www.jdbal.org/page/6/20Edward%20c.s%20ku%20pdt accessed 27(8) 2018

Fides, A.F.M. & Jean, P.G.L (2014). Customer relationship management of department of tourism (DOT) accredited hotels in Angeles city Philippines. *European Academic Research* 6(9). 2286-2298

Garrido-Moreno, A., & Padilla-Melendez, A. (2011). Analyzing the impact of knowledge management on CRM success: the mediating effects of organizational factors. *International Journal of Information Management*, 31(5), 437-444.

Grant, R.M (1991). The resource-based theory of competitive advantage: implications for strategy formulation. *California Management Review*, 33(3), 114-135.

Gustafsson, A., Michael, D.J & Inger Roos (2005). The effects of customer satisfaction relationship commitment dimensions and triggers on customer retention. *Journal of Marketing* 69(4), 210-218.

Hu, H. Kandampully, J. & Jawaheer, T.D (2009). Relationships and impacts of service quality, perceived value, customer satisfaction, and image: *An empirical study service industry journal* 29 (2), 111-125.

Huff, L., C. Fornell, E. Anderson (1996). "Quality and productivity: contradictory and complementary, *Quality Management Journal*, 4 (6), 22-39.

Jacobson, R. & David, A. (1985), "Is market share all that it's cracked up to be? *Journal of Marketing*, 49 (4), 11-22.

Jacobson, Robert & David Aaker (1987). The strategic role of product quality," *Journal of Marketing*, 51, (10), 31-44.

Jani, D., & Han, H. (2013). Personality, social comparison, consumption emotions, satisfaction and behavioural intentions: how do these and other factors relate in a hotel setting? *International Journal of Contemporary Hospitality Management*, 25(7), 970-993.

Jayachandran, S., Sharma, S., Kaufman, P., & Raman, P. (2005). The role of relational information processes and technology use in customer relationship management. *Journal of Marketing* 177-192.

Jehinek, R., Ahearne, M., Mathieu, J., & Schillewaert, N. (2006). A longitudinal examination of individual, organizational and contextual factors on sales technology adoption and job satisfaction. *The Journal of Marketing Theory and Practice*, 14(1) 7-23.

Johnston, M., & Marshall, G. (2003). *Sales force management.* McGraw-Hill Boston.

Jones, M.A., David, M.L. & Sharon, E.B (2007). The positive and negative effects of switching cost on relational outcomes, *Journal of Service Research* 9(4), 235-355.

Kamakura, A., Vikas, M., Fernando, R. & Jose, A.M (2002). Assessing the service profit chain marketing science (summer), 294-317.

Kasim, A. & Minai, B. (2009). Linking CRM strategy, customer performance measure and performance in hotel industry. *International journal of Economic and Management*, 3(2), 297-316.

Kennerly, M Sharma., & Neely, A. (2003), measuring performance in a changing business environment. *International Journal of Operational Management* 23(2), 213-229.

Keramati, A., Mehrabi, H. & Mojir, N. (2010). A process oriented perspective on customer relationship management and organizational performance: an empirical investigation. *Industrial Marketing Management* 39(7), 1170-1185.

Kim, H. & Kim, Y. (2009). A CRM performance measurement framework: its development process and application. *Industrial Marketing Management*, 38(4), 47-489.

Kim, J., Suh, E., & Hwang, H. (2003). A model for evaluating the effectiveness of CRM using the balance score card. *Journal of Interactive Marketing* 17(2), 5-19.

Ko, D., & Dennis, A.R. (2004). Sales force automation and sales performance: do experience and expertise matter? *Journal of Personal Selling and Sales Management*, 24(4), 311-322.

Kohli, A.K. & Jaworski, R.J. (1994). The influence of co-worker feedback on sales people, *Journal of marketing* 10, (58)), 82-94

Koopmans, T.C. (1951). Analysis of production as an efficient combination of activities. Activity analysis of production and allocation, 13, 33-37.

Krishnan, V., Grozu, M.D., Groza, M.P Peterson, R.M & Fredesicks, E. (2014). Linking customer relationship management process to sales performance: the role of CRM technology effectiveness; *Marketing Management Journal* 24(2), 162-171.

Kumer, V. & Reinartz, W. (2000). On the profitability of long-life customers in a non contractual setting , *Journal of Marketing*, 64(3), 17-35.

Kuusik, A., & Varblane, U. (2009). How to avoid customers leaving: the case f the Estionian telecommunication industry. *Baltic Journal of Management* 4(1), 66-79.

Liu, S.S., Luo, x., & Shi, Y (2003). Market-oriented organizations in an emerging economic: A study of mission links. *Journal of Business Research* 56, 481-491.

Madhovi, D.G., & Dhliwayo, S. (2017). The relationship between customer relationship management (CRM) and performance in the hotel industry, *African Journal of Hospitality, Tourism Leisure* 6(1) 2213-814x.

Mendozu, L.E., Marius, A., Perez, M. & Griman, A.C (2006). Critical success factors for a customer relationship management strategy, information and software technology 49(8), 913-945.

Minami, C. & Dawson, J. (2008). The CRM process in retail and service sector firms in Japan: loyalty development and financial return. *Journal of Retailing and Customer Services* 15(20), 375-385.

Mishra, A., & Mishra, D. (2009). Customer relationship management implementation process perspective. *Jurnal of marketing*, 18(6), 99-109.

Mithas, S., Krishnan, M.S., & Fornell, C. (2005). Why do customer relationship management applications affect customer satisfaction? *Journal of Marketing*, 69, 20-209.

Mohammed, A. Rashed, B. (2012). Customer relationship management in hotel industry: framework proposal on the relationship among CRM dimension on marketing capabilities and hotel performance.

Mohammed, A.A., Rashid B.B & Tahir, S.B (2014), customer relationship management (CRM) technology and organization performance: is marketing capability a missing link? An empirical study in the Malaysian hotel industry. *Asian Social Science* 10(9), no no

Mohammed, M.U (2012). Customer relationship management in hospitality sector. *Journal of Good Governance and Sustainable Development* 1(1), 40-47.

Morgan, R.M., & Hunt, S.D (1994). The commitment –*Trust Theory of Relationship Marketing Journal of Marketing* 58(7), 20-38.

Moriarty, J., Jones, R., Rowley, J. & Kupie-Teahau, B. (2008). Marketing in small hotels: a qualitative study. *Marketing Intelligence and Planning*, 63(3), 293-315.

Ngai, E.W.T (2005). Customer relationship management research (1992-2002) an academic literature review and classification. *Marketing intelligence and planning* 23(6), 582-605.

Ngai, E.W.T., Xiu, L. & Chau, D.U.K. (2009). Application of data mining techniques in customer relationship management: A literature review and classification. *Expert systems with applications*, 36, 2592 – 2602.

Nguyan, T.H., & Wang, T.S (2013). The adoption of customer relationship management (CRM) technology in SMEs: An empirical study, *Journal of Small Business & Enterprise Development* 20(4), 824-848.

Nguyen, B. Lee-Wingate, S.N., & Simkin, L. (2014). The customer relationship paradox: five steps to create a fairer organization. *Social Business*, 4(3), 207-230.

Nwokah, N.G. (2009). Customer-focus, competition focus and marketing performance, measuring business excellence: *The journal of Organizational performance* 13(3), 20-28.

Ozgener, S. & Iraz, R. (2006). Customer relationship management in small-medium enterprises: the case of Turkish tourism industry. *Journal of Tourism Management*, 27(6), 1356-1363.

Papastathopoulou, O., Avlonitis, G.J & Panagopoulos, N.G (2007). Intra-organizational information and communication technology diffusion: implications for industrial sellers and buyers. *Industrial marketing management*, 36(4), 322-336.

Parasuraman, A. Zeithaml, V.A. & Berry, L.L (1985). A conceptual model of service quality and its implication for future research. *The Journal of Marketing,* 49 (41-50).

Parvatiyer, A. & Sheth, C. (2005). Customer relationship management Tata Mc-papastathopuolou,p., Avlonities, G.J.& Panagopoulos,N.G (2007), intra-organizational information and communication technology diffusion ; implications for industrial sellers and buyers , *Idustrial Marketing Management*, 36(4), 322-336. ..

Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. *Journal of Marketing* 69(4), 167-176.

Payne, A., & Frow, P. (2013). *A strategic framework for customer management: integrating relationship marketing and CRM*: Cambridge university press.

Phillips, Lyn W., Dae R. Chang & Robert D. Buzzell (1983), Product quality, cost position, and business performance: a test of some key hypotheses, *Journal of Marketing,* 47, (Spring), 26-43.

Rababah, K. Mohammed, H. & Ibrahim, H. (2012). Customer relationship management (CRM). Processes from theory to practice: the pre-implementation plan of CRM system. *International Journal of e-education, e-business, e-management and e-learning.*

Rahimi, R., Gnulu, E. (2016). Implementing customer relationship in hotel industry from organizational culture perspective. *International Journal of Contemporary Hospitality Management* 28(1), 89-112.

Rapp, A., Agnihotri, R., & Forbes, L.P (2008). The sales force technology-performance chain. The role of adaptive selling and effort. *Journal of personal selling and sales management,* 28(4), 335-350.

Reinartz, W., Krafft, M., & Hoyer, W.D. (2004). The customer relationship management process: its measurement and impact on performance. *Journal of marketing research,* 41(3), 293-305.

Roberts-Phelps, G. (2001). *Customer relationship management*. *How to turn a good business into a great one,* thorogood.London.

Rust, R., Zahorik, A., & Keiningham, T. (2004). Return on quality (RQQ): making service quality financial accountable," *journal of marketing* 59 (2), 58-70.

Ryals, L., & Knox, S. (2001). Cross-functional issues in the implementation of relationship through customer relationship management. *European management journal* 19(5), 534-542.

Ryals, L., (2005). Making customers relationship management work: the measurement and profitable management of customer relationships. *Journal of marketing,* 69 (10), 252-261.

Sanchez-Fernandez, Raquel, & Angeles, M. Iniesta-Bonillo (2009), "Efficiency and Quality as Economic Dimensions of Perceived Value: Conceptualization, Measurement, and Effect on Satisfaction," *Journal of Retailing & Consumer Services*, 16 (6), 425-433.

Shamdasani, Prem, Arvindan Mukherjee & Neeru Malhotra (2008), "Antecedents and consequences of service quality in consumer evaluation of self-service internet technologies," *Service Industries Journal*, 28 (1), 117-138.

Shang, K. & Lu, C. (2013). Customer relationship management and firm performance: an empirical study of freight forwarder services, *Journal of marine science and technology* 20(1), 64-72.

Sheth, J.N., Sisodia, R.S., Sharma, R.S. (2000). The antecedents and consequences of customer – centric marketing management 18(8) 657-671.

Shoemaker, M.E (2001). A framework for examining IT-enabled market relationships. *Journal of personal selling & sales management* 22(2), 177-185.

Sigala, M. (2005). Integrating customer relationship management in hotel operations: managerial and operational implications. *International journal of hospitality management*, 24(3), 391-413.

Sin, L., Y.M, Tse, A.C.B., Yim, F.H.K (2005). CRM conceptualization and scale development. *European Journal of Marketing* 39(11/12), 1264-1290.

Soliman, H.S. (2011). Customer relationship management and its relationship to the marketing performance. *International journal of business and social science*, 2(10), 166-182.

Speier, C., & Venkatesh, V. (2002). The hidden minetieeds in the adoption of sales force automation technologies. *The journal of Marketing* No No 98-111.

Shavazi, E.T., Moshabaki, A. Hoseini, S.H., & Naoeji, K.A (2013). Customer relationship management and organization performance: A conceptual framework based on the balanced scorecard (study of Iranian banks). *IOSR Journal of Business and Management*, 10(6), 18-26.

Taylor, S. & Todd, P.A (1995) Understanding information technology usage: a test of competing models. *Information systems research* 6, 144-176.

Vallabhi, D., Radder, L. & Venter (2015). Factors preceding CRM readiness in small and medium-sized tourism enterprises, Act a commercial 15(1) 263 http://dox.doi.

Venhoef, P.C., Philip, H.F & Janny, C.H (2002). The effect of relational constructs on customer referrals and number of services purchased from a multi-service provider does age of relationship matter, *Journal of Academy of Marketing Science* 30 (3) 202-16.

Virmani, M. & Dash, D.K (2003). Modeling customer satisfaction for business services. *Journal of Sociological Research*, 4(2), 51-60.

Wang, Y & Feng, H. (2012) Customer relationship management capabilities: measurement, antecedents and consequences, *Management Decision Journal* 50(1), 115-129.

Wang, Y., & Lo, H.P. (2004). An integrated framework for customer value and customer-based perspective from china management service quality, 14(213) 169-182.

Wu, S.I., & Lu, C.L. (2012). The relationship between CRM, RM, and business performance: A study of the hotel industry in Taiwan. *International journal of hospitality management*, 31(2), 276-285.

Xu, X. & Li, Y. (2016). The antecedents of customer satisfaction and dissatisfaction toward various types of hotels, a texe mining approach, *International Journal of Hospitality Management* 55(10), 57-69.

Yim, F.H., Anderson, R.E., & Swamimathan, S. (2005). Customer relationship management: its dimensions and effect on customer outcomes. *Journal of Personal Selling and Sales Management* 24(4), 263-278.

Yilmaz, C., Alpkan, L., & Ergun, E. (2005). Cultural determinants of customer-and learning-oriented value systems and their joint effects on firm performance . *Journal of Business Research*, 58, 1340-1352.

Yueh, C.L., Lee, Y., & Barners, F.B (2010). The influence of customer relationship management on management performance. The *International Journal of Organizational Innovation*, 2(3), 40-50.

Zablah, A.R., Bellinyer, D.N., & Johnson, W.J., (2004). An evaluation of divergent perspectives on customer relationship management: towards a common understanding of an emerging phenomenon. *Industrial marketing management*, 33(6), 475-489.

Zhu, Z., & Nakata, C. (2007). Reexamining the link between customer orientation and business performance: the role of information systems. *Journal of marketing theory and practice*, 15(3), 187-203.

Zhu, Z., Nakata, C., Sivakumar, K., & Grewal, D. (2007). Self-service technology effectiveness: the role of design features and individual traits. *Journal of the Academy and Marketing Science*, 35(4), 492-506.