

# Relationship Marketing in Hotel Industry: A Conceptual Study

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## Abstract

The appreciation of relationship marketing is in building and retaining long-standing relationships with customers, which has a huge impression for various organizations in the West. In any case, because of standards and ethnic modifications, the same term cannot be applied in the local context. This study is mainly drawn from the data collected through an online survey at five star hotels in the city of Bangalore. The purpose of this research is to draw the hoteliers' attention about relationship marketing and propose the use of this term for the existing strategies currently used in hotels. The extensive literature review related to strategies practiced in the hotel industry supports the mapping of strategies into one distinguished term: Relationship Marketing. The primary aim of the study is to develop a framework based on literature for hoteliers to implement and practice the new term in the hotel industry. The study ends with a blueprint as well as recommendations in using the new term to enhance customer relationship and loyalty.

## Keywords:

Relationship marketing, service operation, hotel industry, customers, hoteliers

## 1 Introduction

One of the most complicated tasks facing any business is getting hold of new customers. When considering that each step is to earn a potential customer's attention, making a persuasive pitch and facilitating the accompanying sale can incur huge expenses. The term used to describe this is relationship marketing. Relationship marketing is about shaping long-term relationships with customers. It has been widely applied and is recognized as the way in which the hotel industry sells itself to guests.

Prior to the start of the study, the definition of relationship marketing must be addressed. Kotler et al. (2007) defined relationship marketing as the process in which the construction, cultivation and strengthening of strong value-laden relationships with customers and other stakeholders occur. Another way relationship marketing can be defined from Dwyer et al. (1987) in which both business marketing and consumer marketing benefit from attention to conditions that foster relational bonds leading to reliable repeat purchase.

The goal of relationship marketing programs is to deliver the highest level of customer satisfaction (Venetis & Ghauri, 2004). The critical factor is to deliver performance which matches or exceeds customer expectations. Because competition gets more intense and there is little differentiation among products in the industry, hotels depend more and more on relationship marketing. This paper attempts to scrutinize several studies including those by Kotler et al. (2007), Mohammed and Rashid (2012), Mahony and Salmon (2014), and Porter et al. (2011) based on currently used strategies in hotels which can be later be termed as relationship marketing. The primary aim of this paper is to develop a framework based on the elementary strategy, which is a hint from the researcher, and the secondary strategy, which is suggested in the survey, and explore how these primary and secondary strategies shape into a novel fabric. This framework can only be a proffer to current and future hoteliers involved with the business. For the purpose of the study, the researcher has conducted an online survey in five 5-star hotels based in Bangalore city. The survey was directed solely to substantiate how many secondary strategies are practiced in hotels. The survey participants were senior executives of each hotel. The survey included ten possible strategies that the hotels may use. In the survey, four 5-star hotels have suggested different terms that they use in their hotels instead of the terms used by the researcher. The results of the survey are shown in Table 1.

Table 1 indicates the results of the survey from the five 5-star hotels in Bangalore city. From the results shown, all the 5-star hotels contributed the same response which shows that all hotels follow similar strategies to match the highest tier of guest satisfaction. Hotel 1, Hotel 2, Hotel 3 and Hotel 5 suggested different terms that they use in their hotels instead of the terms used by the researcher. Hotel 4 follows the same terms used by the researcher for the purpose of the survey. To meet the intention of the research, the survey chart held ten strategies which could be taken under the primary strategy (relationship marketing), which was studied in later phases of the research. From all the ten strategies, which were subsequently regarded as secondary, four strategies were not used in hotels which were Decision-making, Acquiescence (Customer/Supplier Relationship), Functional Conflict (Conflict, Customer/Supplier Relationship) and Termination Fees (Supplier Relationship). The remaining six strategies successfully employed in hotels were Shared Vision, Employee Behavior, Communication, Customer Relationship, Trust, and Prosperity to Leave (Customer/Supplier Relationship). Four hotels suggested other terms instead of the terms used by the researcher. Hotel 1 used 'Commitment' instead of 'Customer Relationship'. Hotel 2 and Hotel 5 circled around 'Shared Values' instead of 'Shared

Vision'. Lastly, Hotel 3 coined the term 'Opportunistic Behavior' instead of 'Employee Behavior'. Hotel 4 suggested no new terms. It adopted the same terms that the researcher used for the study.

Table 1: A survey conducted in Five-star hotels in Bangalore city

Strategies	Hotel 1		Hotel 2		Hotel 3		Hotel 4		Hotel 5	
	Y/N	PT	Y/N	PT	Y/N	PT	Y/N	PT	Y/N	PT
Uncertainty	N	-	N	-	N	-	N	-	N	-
Shared Vision	Y	-	Y	Shared values	Y	-	Y	-	Y	Shared values
Communication	Y	-	Y	-	Y	-	Y	-	Y	-
Employee Behavior	Y	-	Y	-	Y	Opportunistic behavior	Y	-	Y	-
Customer Relationship	Y	Commitment	Y	-	Y	-	Y	-	Y	-
Trust	Y	-	Y	-	Y	-	Y	-	Y	-
Acquiescence	N	-	N	-	N	-	N	-	N	-
Prosperity to leave	Y	-	Y	-	Y	-	Y	-	Y	-
Functional conflict	N	-	N	-	N	-	N	-	N	-
Termination fees	N	-	N	-	N	-	N	-	N	-

Note: Y=Yes, N= No, PT= Possible Term, Uncertainty = Decision Making, Acquiescence = Customer/Supplier Relationship, Prosperity to leave = Customer/Supplier Relationship, Functional conflict = Conflict Customer/Supplier Relationship and Termination fees = Supplier Relationship

### 1.1 Intention of the study

This paper critically analysed six secondary strategies which are widely utilized in the hotel sector. The purpose of this research was to critically review various secondary relationship marketing strategies to identify key findings of each author under each review significant to the hotel industry, and to build a framework offering a primary term to segregate all the widely used secondary strategies related to relationship marketing in the hotel sector.

## 2 Methodology

The method of conducting this study was as per the framework of a written report represented in the current review paper. This was accompanied by a brief discussion on the author's comments and critical evaluation. Lastly, the schedule for future research was defined. The study was conducted in three stages - mapping stage, analysis stage and concluding stage. The first stage (mapping stage) of the study identified the theoretical framework of the study through the review of literature and examined several strategies and areas in the hotel industry through a small survey. In the second stage (analysis stage), the study identified better known strategies through the survey and scrutinized previous studies on the basis of selected known secondary strategies used in hotels. The researcher proposed the six better known terms into one term i.e., Relationship Marketing. Lastly, at the concluding third stage, all the strategies were compared and analyzed to finalise the framework for the hotel

industry. Recommendations and future needs were identified at the end of this study. The blueprint of this study is as follows.

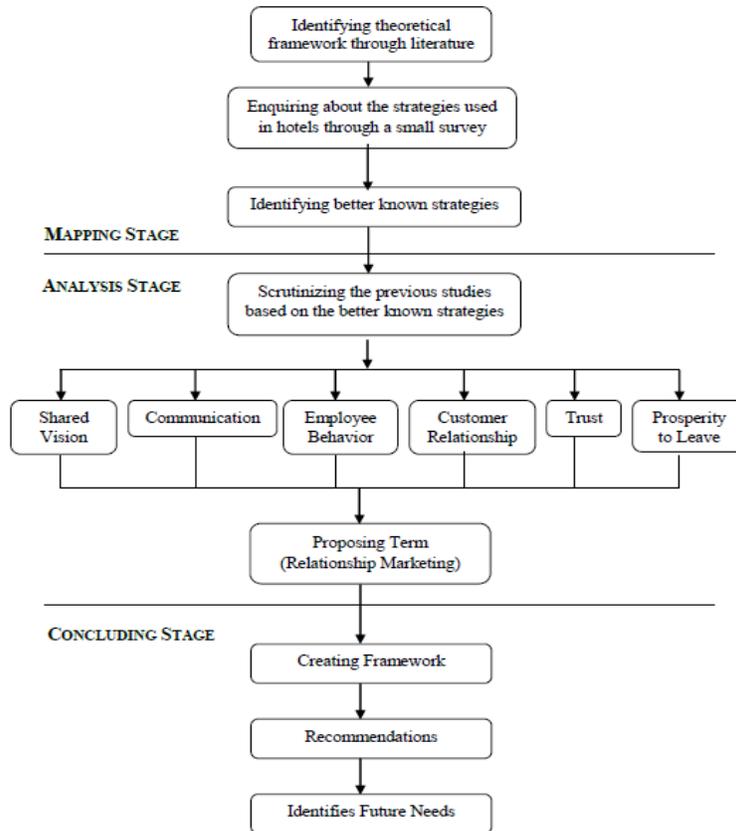


Figure 1: Blue print of the study

### 3 Epitomizing the previous studies

Literature reviews collected for the study were entirely grounded on the selected secondary strategies used in the hotel industry. Each secondary strategy came with two to three literature reviews scrutinized for the purpose of the study. The position of the researcher on relationship marketing varies from one to another to understand the means to achieve guest satisfaction and expand the guests’ faithfulness. There is a universal understanding among researchers that there is a liaison between employee satisfaction and business functioning. In a simple context, employees are an indispensable component of service quality in producing a high caliber degree of services (Mahony & Salmon, 2014). The present work is an endeavor to analyse twelve reviews for the purpose of developing a framework to organize the strategies into one particular condition. The strategies were isolated into six terms: Shared Vision, Employee Behavior, Communication, Customer Relationship, Trust, and Prosperity to Leave (Customer/Supplier Relationship).

### **3.1 Shared vision**

#### *3.1.1 Melbourne hospitality strategy report*

Shared vision for Melbourne city is to be recognized locally and internationally as a leading hospitality destination, distinguished by its unique diversity, cultural richness, professional service and consistent quality. This requires commitment for the hospitality sector, with agreed goals that can be collectively be worked on together. This vision can only be achieved through collaboration, which not only includes working with hospitality businesses and agencies, but also means looking at the bigger picture and working with all hospitality sector stakeholders, including:

- i. Service providers: small and large business operators (restaurants, bars, cafés), accommodation owners and those working within the sector.
- ii. Regulators/administration: federal, state and local governments, authorities, industry associations and business representatives.
- iii. Customers: current and future users of hospitality services, including local, national and international customers

#### *3.1.2 Strategy and society: from CSR to creating shared value, presentation at the Inner City Capital Connections (ICCC)*

Michael Porter for several years championed the theory that there is a growing agenda in business with a shift from the concept of CSR to 'Creating Shared Value' (CSV). This shift was due to external pressures for CSR to grow, with numerous organizations monitoring, ranking and reporting social performance. He contended that the legal, business and reputational risks were great for companies engaging in practices deemed unacceptable, but core to this issue he contended that few companies have integrated society into strategy in a way that reinforces competitive advantage for the business, with CSR and community issues being treated separate from the core business agenda. As a result of this, he surmised that CSR initiatives are hard to sustain. He advocated the concept of 'Shared Value' as "Policies and practices that enhance the competitiveness of a company while simultaneously advancing economic and social conditions in the communities in which it operates".

#### *3.1.3 Creating shared value – how to reinvent capitalism-and unleash a wave of innovation and growth*

Porter and Kramer developed these ideas further in relation to creating shared value and addressing the challenges for companies in that they were widely perceived to be prosperous at the expense of the community. The concerns were underpinned by the fact that the legitimacy of the business has fallen to 'levels not seen in recent history'. They claimed that the purpose of the corporation must be redefined as creating shared value, not just profit. They proposed three ways in which companies can create shared value opportunities by:

- i. Reconceiving products and markets;
- ii. Redefining productivity in the value chain;
- iii. Enabling cluster development.

The concept of shared value considers policies and operating practices that enhance the competitiveness of a company whilst advancing the economic and social conditions in the communities in which they operate. "The concept rests on the premise that both economic and social progress must be addressed using value principles. Value is defined as benefits relative to, not just benefits alone". This principle of CSV is now being openly adopted by many businesses including major international hotel companies, such as InterContinental Hotels Group.

## **3.2 Communication**

### *3.2.1 Can you accommodate improved communications?*

Voice, email and Internet communications play critical roles in the success of any hospitality business. Administration functions as well as booking and payment facilities all rely on constant and uncompromised access to quality Internet and is now demanded by hotel guests as part of the facilities offered by hotels of all levels. Hotels in areas of poor Internet connectivity or even the most remote areas can now operate in the same way as those based in large cities with online satellite communication services. ICT offers a comprehensive and fully flexible range of enterprise quality communications services for the hospitality industry.

### *3.2.2 New marketing and communication management efforts in the hotel sector: the case of high-quality hotels of Dalmatia*

The purpose of this study was to examine new marketing and communication management possibilities. More specifically, it aimed to contribute to Integrated Marketing Communications (IMC), Information and Communication Technology (ICT), and loyalty research programs in Dalmatian high-quality hotels. The results of descriptive statistic analysis demonstrated a high degree of IMC and ICT implementation and a moderate degree of information management, which is crucial for the design of loyalty programs. Some differences have been observed between first-class and luxury Dalmatian hotels regarding the implementation of the studied variables. However, the nonparametric Mann-Whitney U test revealed that these differences were not statistically significant. The findings of this study have important implications for hotel managers. In order to respond efficiently to market requirements, a company needs to integrate its different promotional tools and embrace both flexibility and customization (Gurău, 2008), as well as variety and diversity (Christensen et al., 2008). Furthermore, it has to try to balance its many voices with the efforts to assure clarity and consistency in its overall expression (Christensen et al., 2008, Gurău, 2008; Torp, 2009). Dalmatian luxury hotels should

take into consideration these aspects, as according to results of this study, first-class hotels showed better IMC performance.

### *3.2.3 Profit opportunities from information communication technologies (ICTS) in the hotel sector*

This research revealed the results of a funded research project that was recently completed on identifying what “experts” predict as profit opportunities. 25 international hospitality experts were asked to identify and consequently rank the ICTs they predict will impact the benefit (contribution) hotels can achieve from the sale of their rooms, in the form of a DELPHI study. Though there was an initial discussion and contention as to what constitutes as “ICT”, the final round of the study revealed a focus on both internal (IT systems & processes) and external (strategic IT partners) factors and that experts have a level of consensus on the contribution of ICT.

## **3.3 Employee behaviour**

### *3.3.1 How does employees' branding and employees' behaviour influence hotel service quality?*

The proposed study attempts to investigate the relationship of employees' branding, employees' behaviors and service quality. Despite many researchers calling for the development of behavioral measures to better define the meaning of employees' good service behaviors (Bowers, et.al., 1994; Knutson, et.al., 1990; Luthans and Davis, 1990), relatively little is known about how customers evaluate service encounters (Winsted, 2000). Furrer, Liu and Sudharshan (2000) argued that perceptions of service quality vary across cultural groups; nevertheless their study did not explore what the actual behaviors of service delivery personnel really mean to customers.

### *3.3.2 Hotel employee behaviour is a business system*

Hospitality managers can maximize profits and staff in busy and slow seasons to ensure a consistent customer experience, according to a report released by analysis firm Best Practices. According to "Benchmarks for Best Practices in Hotel Management," a study examining hotel management in the Caribbean market, using well-planned business systems and formalizing them for customer service, fully realized marketing plans will help managers define the customer segments most important to their financial and strategic goals. "General training for specific jobs is given for all hotels, but price points and service levels can create ambiguity and confusion about what activities are required specifically for each role," the report states.

### **3.4 Customer relationship**

#### *3.4.1 Customer relationship management (CRM) in hotel industry: a framework proposal on the relationship among CRM dimensions, marketing capabilities and hotel performance*

This study has provided a theoretical model to show the firm relationship between CRM dimensions, marketing capabilities and hotel performance. It contributes enormously to the body of knowledge, as it provides a comprehensive framework that is used for explaining the impact of the CRM's four dimensions on hotel performance. It is an accepted fact that the concept of customer relationship management neither has been fully verified, nor empirically assessed to determine the strength of the relationship between dimensions of customer-relationship management and hotel industry performance. Moreover, this study uniquely extends the body of knowledge by explaining the theoretical possibilities of the mediating role of marketing capabilities (planning and implementation) in the relationship between CRM dimensions and hotel performance.

#### *3.4.2 Customer relationship management in hotel industry*

There has been a considerable improvement in the service delivery system of the hotel industry and the concept of CRM has taken a new dimension and is gaining momentum in this sector. The present study on CRM concludes that almost all the owners/managers of the selected hotels in Ludhiana were aware about the CRM concept and are practicing it in their respective hotels. However, high/medium tariff hotels are practicing it at a greater extent and low tariff hotels are practicing it according to their convenience. The companies are undertaking various activities for acquiring customers, for customer development through personalization and customization, and for customer retention. Further, CRM practices help the hoteliers to increase customer satisfaction, win customer loyalty and retain the customers which results in increased market share and high profitability.

#### *3.4.3 Measuring customer relationship management (CRM) in the hospitality industry of some selected hotels in ACCRA, Ghana: the role of information and communication technologies*

This study, through relevant literature, related work and a quantitative research methodology has revealed the importance of ICT in the tourism and hospitality industry. The tremendous proliferation of ICT coupled with the internet and wireless networks have made it necessary for Hotels in the Hospitality Industry to use ICT as a tool to retain and satisfy customers. This study used a case study consisting of two (2) hotels in Accra, Ghana to ascertain and measure whether ICT is being used by them for Customer Relationship Management (CRM), thereby improving customer retention and satisfaction. The study revealed that one of the case study hotels, namely MJ Hotel, utilizes ICT for CRM while the other A and T does not utilize ICT for CRM and

needs to implement such services in order to retain and satisfy customers fully. This paper therefore recommends that all hotels in Ghana should implement ICTs for CRM strategies/techniques in order to satisfy and retain customers and also improve the business profits and gains of their hotels. Additionally, hotels such as MJ Hotel which currently employ ICT for CRM should improve their business models involving the connection and linkage of ICT and CRM to improve customer retention and satisfaction.

### **3.5 Trust**

#### *3.5.1 Franklincovey global speed of trust practice, for your trust profile contact your franklincovey representative*

The 13 Behaviors of High Trust focus on how you and your competitors are communicating trust and how that trust is being received by consumers. Do they think your message is direct and clear or do they think you are ambiguous and evasive? Do they see you as courteous or discourteous? Do they see you righting wrongs, delivering positive results, getting better, being accountable and responsible, and do they see you as listeners and keeping commitments? This analysis goes to the heart of the Speed of Trust.

### **3.6 Prosperity to leave (customer/supplier relationship)**

#### *3.6.1 Why do your staff quit their jobs?*

First of all, unless we understand why a staff leaves, it will be difficult to reverse the trend. The most effective way to identify this is to conduct a confidential exit interview. They say that “people don't quit jobs; they quit bosses”, so if this is the case, the interview is best conducted by someone other than the employees' line manager; it's unlikely to learn the truth if the line manager is asking the question. Not many are able to inform their boss of their own shortcomings. This of course may not always be possible in small teams, but at the very least, a sit down with the employee to discover as much as possible the employee's motives for leaving is needed. Although it might be too late to change the mind of this employee, this allows time to address the problem and to prevent the same thing happening again and again.

#### *3.6.2 High staff turnover in hotel industry, due to low remunerations and extended working hours!!!*

The hotel industry in India is running short of good employees. The hotel industry is facing a serious threat from other sectors. The reasons behind this are some of the motivational factors like good remuneration, a work-life balance, better working environment and faster professional growth provided by other service sectors. Different researches have indicated that after being in the industry for a short time, a large number of hotel employees leave the industry to other sectors, due to poor

salaries, extended working hours, neglected social life and slow career growth. The purpose of this study was to find out challenges being faced by the hotel employees. It also examines the reasons why the employees are not able to cope with the industry environment. A survey was conducted of different hotel employees and observed that most of the employees want to be work in other service oriented industries such as airlines, tourism, retail and financial services. Monetary compensation and long working hours are the two areas of dissatisfaction for the hotel employees. There is not one reason that caused hospitality graduates to leave the industry but rather a combination of factors. Big hotels chains such as Oberoi, Taj, Jaypee and ITC prefer to rely on in house courses and training to cope with the problem. ITC Hotels, said its chief operating officer Dipak Haksar, has also introduced monthly career development reviews for discussions and dialogues on talent development, succession planning and career management. Midterm salary revisions and extraordinary pay-raises were among ways the industry attempt to retain efficient employees.

Table 2: Review of related literature

Primary Strategy	Secondary Strategy	Author/ Year	Title of the Study	Key Points
Relationship Marketing	Shared Vision (Shared Value)	Melbourne (Vic.). Council., 2009	Melbourne Hospitality Strategy Report	A shared vision and commitment for the hospitality sector, with agreed goals we can all work towards together. This vision can only be achieved through collaboration.
		Porter, M., 2009	Strategy and Society: From CSR to Creating Shared Value, Presentation at the Inner City Capital Connections (ICCC)	The concept of 'Shared Value' as Policies and practices that enhance the competitiveness of a company while simultaneously advancing economic and social conditions in the communities in which it operates.
		Porter, M. & Kramer, M., 2011	Creating Shared Value – How to reinvent capitalism-and unleash a wave of innovation and growth	The concept rests on the premise that both economic and social progress must be addressed using value principles. Value is defined as benefits relative to, not just benefits alone
Communication	Communication	Law et al, 2014	Can you accommodate improved communications?	Onlime offers a comprehensive and fully flexible range of enterprise quality communications services for the hospitality industry.
		Šerić, et. al., 2011	New marketing and communication management Efforts in the hotel sector: The case of high-quality hotels of	A high degree of IMC and ICT implementation and a moderate degree of information management, which is crucial for design of loyalty programs.

	Varini & Murphy, 2006	Dalmatia Profit Opportunities from Information Communication Technologies (ICTs) in the Hotel Sector	There were 25 international hospitality experts asked to identify and consequently rank the ICTs they predict will impact on the benefit (contribution) hotels can achieve from the sale of their rooms, in the form of a DELPHI study.
Opportunistic Behavior (Employee Behavior)	Cheung, et. al., 2009	How Does Employees' Branding and Employees' Behavior Influence Hotel Service Quality?	Despite many researchers' calling for the development of behavioral measures to better define the meaning of employees' good service behaviors relatively little is known about how customers evaluate service encounters.
Commitment (Customer Relationship)	Mohammed, A. A., & Rashid, B. I, 2012	Customer Relationship Management (CRM) in Hotel Industry: A framework Proposal on the Relationship among CRM Dimensions, Marketing Capabilities and Hotel Performance	It is an accepted fact that the concept of customer relationship management neither has been fully verified, nor empirically assessed to determine the strength of the relationship between dimensions of customer-relationship management and hotel industry performance.
	Banga, G., Kumar, B. and Goyal, H., 2013	Customer Relationship Management in Hotel Industry	The companies are undertaking various activities for acquiring customers, for customer development through personalization and customization, and for customer retention.
	Asabere. N. Y. and Doku, V., 2013	Measuring Customer Relationship Management (CRM) in the Hospitality Industry of Some Selected Hotels in Accra, Ghana: The Role of Information and Communication Technologies (ICTs)	The tremendous proliferation of ICT coupled with the internet and wireless networks have made it necessary for Hotels in the Hospitality Industry to use ICT as a tool to retain and satisfy customers.
Trust	Speedtrust.com, 2010	FranklinCovey Global Speed of Trust Practice, for your Trust Profile contact your FranklinCovey representative	The 13 Behaviors of High Trust focus on how you and your competitors are messaging Trust and how that trust is being received by consumers.
Prosperity to Leave	Cooper, C., 2010	Why Do Your Staff Quit Their	Not many people have the guts to tell their boss they think that they are a lousy

(Customer/ Supplier Relationship)	Jobs?	manager! This of course may not always be possible if you have only a small team, but at the very least a sit down with the employee to find out as much as possible about the employee's motives for leaving.
Panwar, S., Dalal, J. S. and Kaushik, A. K., 2012	High Staff Turn Over In Hotel Industry, Due To Low Remunerations And Extended Working Hours!!!	Different researches have indicated that after being in the industry for a short time, a large number of hotel employees leave the industry to other sectors, due to poor salaries, extended working hours, neglected social life and slow career growth.

Table 3 represents five columns and 15 rows out of which 14 rows represent the keywords placed in different phases. In Phase I, all the Secondary Strategy Terms have taken in identifying the keywords i.e., the terms which are positively answered in the survey by the executives from five 5-star hotels in Bangalore city. Phase II signifies Sub – Secondary Strategy Terms which represent the identified keywords from each review under all the six secondary strategy terms. Phase III symbolizes Sub – Primary Strategy Terms which indicate the identification of the possible primary strategy keywords. This was taken by observing the whole review article under each secondary strategy. Last but not the least, the last stage, i.e. Phase IV, stands for final term which is viewed as the Primary Term i.e. Primary Strategy.

Table 3: Identified keywords from review of literature and survey

Phase I	Phase II	Phase III	Phase IV	
S. No.	Secondary Strategy Terms	Sub-Secondary Strategy Terms	Sub-Primary Strategy Term	Primary Strategy Term
SV 1	Shared Vision	Shared vision	Shared vision, Marketing	Relationship marketing
SV 2		Creating Shared Value (CSV)	Shared value, Marketing	
SV 3		Creating Shared Value (CSV), Shared value	Shared Value, Marketing	
C 1	Communication	Facilities to hotel guest, Email communication, Internet Communication	E – Communication, Advertising, Marketing	
C 2		Communication management, Integrated Marketing Communication (IMC), Information and Communication Technology (ICT)	IMC, ICT, E – Communication, Advertising, Marketing	
C 3		Information and Communication Technology (ICT), Communication, Profit Opportunities	ICT, E – Communication, Advertising, Marketing	
EB 1	Opportunistic Behavior	Employee Branding, Employee Behavior, Opportunistic behavior	Employee Behavior, Marketing	
EB 2		Employee behavior, Customer	Employee Behavior, Marketing	

		segments	
CR 1	Commitment	Customer Relationship Management (CRM), Customer Relationship (CR), CRM Dimensions, Marketing Capabilities, Hotel Performance	CRM, Customer relationship, Marketing
CR 2		Customer Relationship Management (CRM), Customer relationship	CRM, Customer relationship, Marketing
CR 3		Information and Communication Technology (ICT), Customer Relationship Management (CRM), Customer relationship	CRM, Customer relationship, ICT, Marketing
T 1	Trust	Trust, Customers, Hotel Sector	Trust, Advertising/ Marketing
PL 1	Prosperity to Leave	Customer/ employee relationship, Manager/ employee relationship, Job	Customer/ Supplier/ Employee Relationship, Marketing
PL 2		Customer/ employee relationship, Manager/ employee relationship, Turn Over	Customer/ Supplier/ Employee Relationship, Marketing, Turn Over

Figure 2 indicates the proposed term for hotel industry (i.e. Relationship Marketing). Starting with a critique of literature, 14 reviews were scrutinized based on the terms that resulted from the survey results (Table 1). From these 14 reviews, the researcher extracted the terms which were possibly used in the hotel industry and considered these terms as Sub-Secondary Strategy. The researcher categorised the sub-secondary terms into six secondary factors which later led to possible primary factors which can be applied for each secondary factor, termed as Sub-Primary Factors. To finalize the primary strategy, the researcher took out the common term from the entire sub-primary terms (i.e. marketing) to make an official term. To propose to the hotel sector, the researcher made the primary term “relationship marketing” because all the six secondary factors talked about customer/employee relationship, commitment and trust (Morgan, 1994). This is related to the theory developed by Kealhofer, McQuown and Vasicek, which is now part of Moody’s Analytical model (2005).

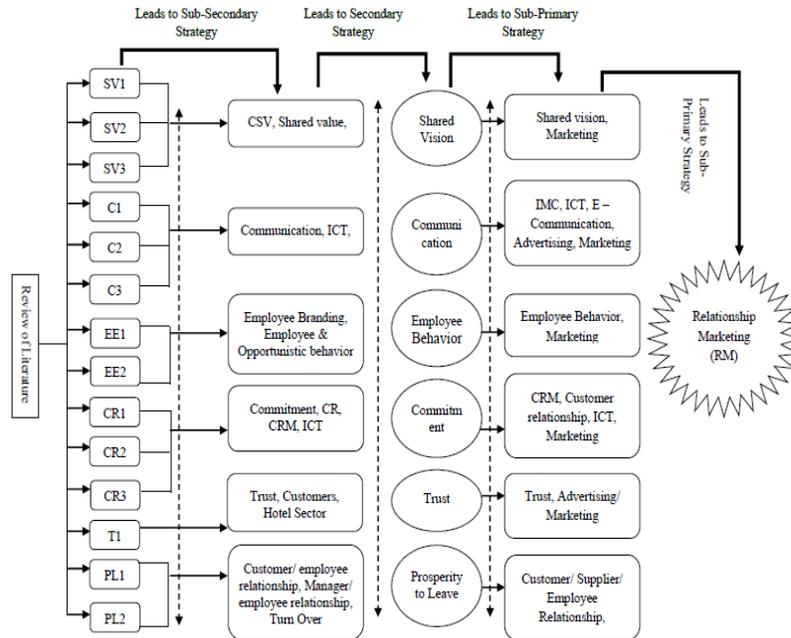


Figure 2: Framework of the study

#### 4 Conclusion

Relationship marketing is a topic that extensively deals with customer loyalty. By satisfying customers, it is the aim of relationship marketing to make customers loyal to buy further products from the company and recommend others to do the same. It is an essential marketing strategy that has to be used in tandem with almost all products and services today for the parent company to remain successful. Relationship marketing is one of the areas with the most expression in the field of marketing, recognized not only by academics but also by practitioners. Its application in the business world is ever more visible. It is not only the multiple direct marketing configurations that are being increasingly utilized and which enter the field (not being restricted to physical mail) as mobile marketing; rather, it is also the individualization of products, it is the increasing use of services, it is loyalty programs, and in fact it is the multiple channels of interaction with the customer. The present work is an open book of information for newcomers in the hotel sector. This study is an auxiliary information tool to consider as one of the elements for service delivery in the hotel sector. This study concept can be applied in other industries by adding the common secondary terms used in that particular industry.

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