LOYALTY THE CUSTOMER: PROFILE OF CUSTOMER RELATIONSHIP MANAGEMENT (HOTEL CASE STUDY IN WEST BANDUNG, INDONESIA)

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ABSTRACT

There have been many studies on customer relationship management, but those focusing on the history behind success are still minimal. This research aims to uncover customer relationship management in fostering the loyalty of Hotel X, West Bandung, West Java, Indonesia. The Bandung area, which includes Subang, has recently become a more popular tourist destination due to the construction of numerous nearby hotels. However, the rivalry is now more fierce than it was previously. In order to compare the topic under investigation with the actual conditions at Hotel X at West Bandung Regency, the researcher conducted a literature analysis on Customer Relationship Management and spoke with five managers about it. The three programs the researcher determined impacted CRM were the Partnering Program, Continuity Marketing, and One-to-One Marketing. The researcher has examined the program and connected it to theory through primary research employing qualitative approaches. While nearly every program has been implemented, Hotel X at the West Bandung Regency did not adopt a branding program, according to the results of the interview session. It is recommended that hotels conduct short-term market and competitor research. As technology advances, so does the environment.

KEYWORDS: Customer Relationship Management, Loyalty, Hotel, Bandung

INTRODUCTION

Public relations and marketing campaigns are crucial to a hotel company’s change in customer behavior. Focus on building relationships with customers and not just focusing on transactions (Wattoo & Iqbal, 2022). Customer satisfaction partially mediates the relationship between customer relationship management, reputation, and loyalty (Khan et al., 2022). They are using Customer Relationship Management to help improve business performance. According to (Meha, 2021), companies increasingly prioritize their customers as markets are dynamic and competitors can easily replicate products. (Dewnarain et al., 2021; Marolt et al., 2020) Argues that hotel managers are led to implement effective strategies through social customer relationship management.

Deepening customer relationships through technology is a marketing trend. (Rust, 2020) argued that technological advances have significantly impacted marketing, resulting in a deepening of customer relationships through the continuous expansion of the service economy. (Shah & Murthi, 2021) argues that the face of marketing has changed through data-driven marketing practices and the adoption of digital technology. Digitization enables authorities to utilize technological features to enhance innovation in the face of increasing market competition (Khatri, 2022).

In addition to technology, the quality of service has a role in creating the customer experience. Service quality indirectly affects customer loyalty through customer satisfaction (Supriyanto et al., 2021). Service quality affects customer satisfaction and loyalty. According to (Agarwal & Dhingra, 2023), agility’s six factors mediate the relationship: service assurance, reliability, scalability, security, service responsiveness, and usability, which positively and significantly affect overall cloud service quality. (Dam & Dam, 2021) revealed that customer satisfaction is positively related to customer loyalty. Thus,
service quality indirectly affects customer loyalty through customer satisfaction. In addition, customer satisfaction is positively related to customer loyalty.

If customers are dissatisfied, they may file more complaints and become disloyal to the company. Satisfied customers will not complain (Wattoo & Iqbal, 2022). (Panday & Nursal, 2021) According to Service Quality and Customer Satisfaction, partially and simultaneously, these have a positive and significant effect on Customer Loyalty. In addition, experience moderates the relationship between service quality and satisfaction (Ji et al., 2017). Customer experience and service quality are several factors that can affect satisfaction and impact loyalty (Tjahjaningsih et al., 2021). It can be concluded that customer experience and service quality effectively increase customer satisfaction and build customer loyalty. Customer satisfaction is essential for loyalty to the company; service quality and experience influence both factors significantly.

The interest of hotel visitors has decreased since the Covid-19 pandemic (Wildan & Juanita, 2022). There has been an imbalance between frontline hotel staff and customers in the aftermath of the COVID-19 pandemic. According to (Mildred et al.’s, 2022) research in Zimbabwe, fear seems to be the most significant factor affecting the relationship between hotel staff and customers. Mistrust between host and guest affects the relationship between staff and customers. (Kim et al., 2023) Mony highlighted that the two keys to mediating customer loyalty, which are complicated by hotel brand choice and preference, are a focus on age segmentation and a service-oriented stay experience. In this situation, a customer relationship management approach is required to align with the post-pandemic trend of traveler motivation, which is focused on ensuring a memorable experience during their stay. It is, therefore, a good idea for hotels to have a customer relationship management (CRM) system in place.

Customer Relationship Management (CRM) has stages of implementation. (Wildan & Juanita, 2022) Argues that these stages begin with getting new customers (Acquire), improving relationships with customers (Enhance), and retaining customers (Retain). Hotel managers are rightly advised to adopt strategies to build customer loyalty after the pandemic. (Promnil & Polnyotee, 2023) Customer relationship (CR) and service provision (SV) strategies significantly impact hotel recovery. Meanwhile, cost savings (CS) and revenue management (RM) strategies have no direct effect, but CR and SV only facilitate hotel recovery.

Hotel X in West Bandung Regency, Indonesia, is one of the best places to stay (Saepudin et al., 2019; Satriadi, 2020; Syarifuddin, 2019). There are 80 rooms and 70 bungalows within the 32-hectare hotel, which offers stunning mountain views. While Hotel X in West Bandung Regency offers lodging, it is also famous for its natural hot spring pools and recreational gardens, so most visitors come here to relax or take a holiday. The region's geographical characteristics influence tourists' typology in Bandung (Dewanti et al., 2019). (Andriani. S & Hadi, 2018) suggests that foreign tourists, such as Middle Easterners, tend to have characteristics that are close to phisochocentric and close to Mid-centric. The geographical characteristics around Hotel X provide an advantage for the hotel in getting new customers (Acquire). However, the challenges Hotel X faces are in the stages of improving relationships (Enhance) and maintaining relationships with customers (Retain).

Bandung city is a tourist destination still in great demand by domestic and foreign tourists (Hidayat Sukriadi et al., 2021). This condition causes competition between hotels in Bandung. Hotel X faces competition between hotels to attract guests due to the large number of hotels in Bandung and motels around Hotel X in West Bandung Regency. This competition impacts both the starred high-end hotels and the non-starred low-end hotels. As a result, all hotels are forced to be more creative in marketing their products to attract and retain guests.

Based on BPS- Indonesian Statistics data, the number of foreign visitors to West Java in May 2023 was 17,968 people, which showed an increase of 29.07 percent from the number of visits in April 2023 of 13,921 people. Based on the above data, each hotel will compete to attract new guests while retaining existing customers. In order to thrive in a highly competitive market, a hotel in that location must fulfill the needs and desires of every guest. This research seeks to uncover customer relationship management to increase customer loyalty at Hotel X, west
Bandung district. The study's results are expected to produce findings so that they become a reference in creating loyalty to use Hotel X products.

**METHODOLOGY**

In order to increase customer loyalty at Hotel X in West Bandung Regency, the researcher will conduct primary research and analyze the customer relationship program. Thus, to reveal the problem, the research uses a case study approach with observation and interview methods (Lexy et al., 2019).

The informants in this study who were interviewed were the Sales and Marketing Director, Front Office Manager, F&B Manager, and Executive Housekeeper. Participants will participate in electronic interviews for this research, and those selected will provide the necessary data for the topic under study at Hotel X in West Bandung Regency. The interviews are conducted via telephone, email, or Skype. (Lexy J, 2019; Sadeghi Moghadam et al., 2021) Suggested that interview data collection can be done through electronic media, especially in research in the hospitality industry with program density as the informant subject. At the observation stage, researchers at the field survey conducted a series of observations at Hotel X and around the hotel to observe the patterns and forms of activities of guests who use Hotel X. Observations were also made to see the service techniques offered by Hotel X to guests.

Data analysis techniques were carried out by applying triangulation (Çakar & Aykol, 2021). Interview data were classified through tables and matrices and then analyzed by relevant theories to validate field facts. The findings were verified again with the Auditors as informants before being used as a conclusion (Kotler, 2015).

**FINDING AND DISCUSSION**

**Profile of Interviewee**

The researcher interviewed the Head of Department at Hotel X at the West Bandung Regency. These include the following positions: housekeeper, human resources manager, assistant front office manager, manager of food and beverages, and director of sales and marketing.

**The Importance of Customer Relationship Management**

Long-term customer loyalty can be increased, and positive customer relationships can be built with hotel customer relationship management. The customer is the person who paid the hotel's price to use its amenities and acquire experience.

"Can you tell me how important customer relationship management is in increasing customer loyalty in your hotel?" the researcher asked.

According to the first interviewee, the director of sales and marketing, customer relationship management is essential because it makes guests feel welcomed and acknowledged by the hotel, which can build their trust and encourage them to become regular customers. In the end, if the customer becomes regular and repeats their purchase, it means it is getting many customers to return to the hotel, and it will be more and more of the profit we can get. Furthermore, he added that the most essential thing in customer relationships to get a maximum result is to focus on the process, hotel system support, and the people who give the service to the customer. However, (Kotler, 2015; Pahrudin et al., 2022) A business must conduct customer research to ascertain their needs and desires. This means that before concentrating on process, system support, and servers, a business must first understand its customers' fundamental needs to provide them with the right products and services. Building relationships with guests can evoke strong feelings and form an impression in their minds, according to the second interviewee, making them want to return and purchase the goods. Building relationships with visitors can take many forms, including giving them outstanding service and making them remember the hotel and feel satisfied, leading to their love and loyalty. He continues,

"Excellent Customer Service does not imply that staff members must provide each guest with the same caliber of care; instead, we must ascertain the type of service that will either surpass or meet each guest's expectations given the variance in guest satisfaction levels."

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Respondents' responses align with Customer loyalty, which is positively influenced by customer satisfaction. Customer loyalty is positively influenced by customer satisfaction, and increasing product value and service quality can increase customer satisfaction (Wijaya & Bernardo, 2022).

The customer Relationship Management Program is an appropriate program for your environment.

The environment plays a crucial role in determining whether the business should execute the program because environments change quickly in the modern international hotel industry. Therefore, the researcher asked,

"Is CRM an appropriate program in your environment?"

The first interviewee responded in the affirmative, stating that it is true that hotels are expanding quickly in Bandung and the surrounding areas.

“Annually, a considerable number of hotels opened in the vicinity. Therefore, there will be more competition in the market to attract new clients in every segment if more new hotels open”.

Being a top resort hotel, we must figure out how to keep our patrons returning for more of our goods and services because the competition is getting more fierce than ever. The second interviewee responded;

“that many small hotels are constructed near Hotel X because the hotel chain offers guests both lodging and recreational facilities, increasing competition in the area. However, many visitors come to our recreation area but do not stay in our hotel; in contrast, guests who stay in our hotel will have free access to all of the recreation area’s amenities”.

The fourth respondent stated that Hotel X at West Bandung Regency has been around for a while.

“We need a program like a customer relationship management to stay in touch with our patrons because they will change as their surroundings do.”

Because the third and fifth interviewees' responses were identical to those of the other participants, the researcher did not include them. As a result, most managers concur that CRM works well in their setting.

Continuity Marketing Program at Hotel X at West Bandung Regency

The researcher obtained the information from the West Bandung Regency's Hotel X's continuity program. Some of the interviewees stated that the hotel has a membership program in place, according to the interview results listed above. According to the first interviewee, they have an individual guest membership program but no membership in the company because of their pricing. This is consistent with the response provided by the second interviewee, who stated that the hotel offers a membership program with three tiers and various benefits. Furthermore, he mentioned that his department constantly updates the overall point and makes the most of their hotel program.

Although his department is not directly related to customer service, the third interviewee contended that the human resources department indirectly supports the program. Even though his department has supported this program, the fourth interviewee contends that his department does not make the most of the system because they must update guest points or vouchers in the F&B office whenever a guest wishes to redeem their points. It can be assumed that a membership card or loyalty program is utilized to reward and retain patrons so they maintain a relationship with the hotel (Mohamed & Saad, 2022; Parvatiyar & Sheth, 2001).

They said the program had been put into practice at the hotel. The interview's outcomes and the manager's response attest that they fully backed the membership program and other continuity programs, making the most of the hotel system to finish guest profiles and databases. The researcher has identified the program's implementation in hotels based on the results above.
part of the corporate communication strategy as it contributes to developing long-term relationships between companies and their customers (Topor et al., 2022).

However, the fifth interviewee continued communicating with the guest to fulfill housekeeping services, even though they did not communicate online with the customer. Furthermore, the second interviewee states that they stay in touch with the guest by inquiring about any special requests during the reservation process. This allows the hotel to cater to the guests' needs and provide tailored services and appropriate products and services.

The fourth respondent, who stated that the computerized guest history aids the hotel in providing excellent customer service, corroborated the researcher's finding that some managers mention that personalizing service is possible if support is provided by guest information or databases in the hotel system. According to the fifth interviewee, information about the guests found in the hotel system is crucial in determining the kind of service that should be provided to fulfill their expectations while they are there. Modifying hotel service levels as an innovative measure (Al-Makhadmah et al., 2020; Golja & Paulišić, 2021). The response above is consistent with the findings of (Shen et al., 2021), who claimed that programs for customer development are developed using specific customer data. The above result clearly shows that the one-to-one program is in place.

**Partnering Program at Hotel X at West Bandung Regency**

The trend results are the same from the first interviewee to the fifth. The fifth interviewee's result, which indicated that the hotel has a partnership program with other third parties or organizations, was the same as the other answer. Hence, the researcher chose not to include it. In addition to the travel agencies, the first interviewee mentioned that the hotel collaborates with adventure package providers and a few Bandung-based clothing factory outlets. The brand image also plays a vital role as a moderator in the relationship between consumer reviews, influencer endorsement, and purchase intention (Iskamto & Rahmalia, 2023). However, the researcher did not discover that hotels co-brand their products with other businesses to market them.

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**Table 1 The Implementation of Continuity Marketing Program at Hotel X at West Bandung Regency.**

<table>
<thead>
<tr>
<th>No</th>
<th>Description</th>
<th>Implemented</th>
<th>Not Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Membership Program</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Loyalty Card</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Building a Good Database</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research 2023

Table 1 presents information on Membership Programmes, which allow customers or individuals to register or join an entity provided by Hotel X and receive benefits, discounts, or privileges. The Loyalty Card is a reward or incentive for customer loyalty, given to Hotel X customers through reward points or other exclusive benefits for regularly using services or buying products. The Loyalty Card is a reward or incentive for customer loyalty, given to Hotel X customers through reward points or other exclusive benefits for regularly using services or buying products. The focus is on building a comprehensive database. Building a reliable database involves collecting, storing, and managing customer information or other relevant data. This allows Hotel X to understand its customers better, provide customized services, increase customer loyalty, and optimize marketing and operational strategies.

**One-to-one Marketing Program at Hotel X at West Bandung Regency**

While the third interviewee stated that marketing always sends birthday cards to customers on their birthday, the first interviewee stated

“that promotion event are always announced through customer email.”

In keeping with the first interviewee's observation, the fourth interviewee said they always notify the marketing department to promote their event. One way to maintain a one-to-one relationship with customers is through communication, such as sending emails, birthday cards, expression cards, etc. Emphasize that communicating CSR initiatives through social media platforms must be
This research is limited to Hotel Future research, which is needed to understand the market situation and competitors in the short term. As technology advances, so does the surrounding environment. An in-depth analysis of the Hotel: The hotel will realize its place in the market after comparing it with its competitors. Companies can choose how to retain customers by providing high-quality products and customer service in a more competitive environment.

CONCLUSION

The findings of this study lead the researcher to conclude that, given Hotel X’s long operating history, customer relationship management is critical to improving guest satisfaction and fostering loyalty. The customer relationship management profile conducted at Hotel X is done so that all parties benefit from each other; the program tries to keep in touch with each customer. The following conclusions can be drawn from the researcher’s study. The three programs the researcher determined to impact CRM are the Partnership Programme, Continuous Marketing, and One-to-one Marketing. The researcher has researched the programs and related them to the theory through primary research using a qualitative approach; the implemented programs include a comprehensive membership database, digital marketing through proficient use of social media platforms such as Facebook, Twitter, and blogs, and collaboration with various companies to expand the reach.

However, the restaurant's F&B manager stated that staff members could not provide service to guests due to inadequate system support. Additionally, the lack of a co-branding strategy highlights potential avenues for future research to optimize sales and marketing strategies within this program. The hotel is recommended to conduct short-term market and competitor research because, as technology advances, so does the surrounding environment. The hotel should evaluate and compare its offerings with those of its competitors. This will enable the hotel to determine its position in the market relative to its rivals. The hotel can provide high-quality products and customer service in a more competitive environment to retain customers. The hotel should evaluate and compare its offerings with those of its competitors.

REFERENCES


