Article Title

Social Media and eCRM as a Prerequisite for Hotel Success

Citation

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Abstract

Development of information and communication technology (ICT) has enabled the development of electronic customer relations (eCRM) as a business strategy that uses web technologies for developing the capacity and enabling hotels to engage guests in the strong, personalized and mutually beneficial interactive relationship, and thus increase their profitability and sales efficiency. Internet development has enabled the rapid growth of hotel industry. Today, hotel managers are completely aware of benefits that Internet as a promotion tool offers to their business, and accordingly, they are motivated to create greater awareness of their hotels with the goal of increasing number of guests and improving hotel reputation. This article describes how eCRM strategy is used by hotel managers to promote the hotel, more specifically, how much impact websites, social media and e-mail marketing campaigns have on hotel promotion and business performance.

Conclusion

With the development of the Internet and the continuous improvement of technology, CRM has entered a new era of development. From the perspective of CRM (Mendoza, Marijus, Perez, & Griman, 2007), Internet is a tool for customer interaction, which brings many benefits to the organization. Creation and maintenance of loyalty requires that companies to understand that Internet is customer-oriented environment where the customer should be regarded less as a target and more as a partner (Stockdale, 2007). Internet reduces costs, extends the scope of the market and increases quality of services. It also increases the value of customer relationships at certain levels, such as access, convenience and low cost. Online success in the hotel industry is dependent on many different factors. Hoteliers can achieve marketing success by keeping up to date about content management systems and innovative technologies applicable for the industry

and planning for every aspect of electronic commerce. It takes hard work and effort to optimize the hotel website; however, implementation of web features such as content management system is necessary. Altogether, the application of eCRM in the hospitality industry along with satisfied and loyal guests brings many benefits such as increased guest retention rates, increased revenue and profitability, reduced internal costs, reduced marketing costs, improved customer service, creating a positive reputation of the hotel, increased market value of the hotel, improved marketing methods, business process improvement, better understanding of the requirements of guests, higher employee productivity and protecting marketing investment with maximized returns. All of these benefits that eCRM offers hotels can be a source of long-term and sustainable competitive advantage.