



### Article Title

Relationship or revenue: Potential management conflicts between customer relationship management and hotel revenue management

### Citation

Wang, X. L. (2012). Relationship or revenue: Potential management conflicts between customer relationship management and hotel revenue management. *International Journal of Hospitality Management*, 31(3), 864-874. <https://doi.org/10.1016/j.ijhm.2011.10.005>

### Abstract

The concepts of customer relationship management (CRM) and revenue management (RevM) have been embraced by managers in the hospitality industry although, in practice, companies may find it difficult to accommodate both fully. This paper examines the compatibility between the two practices and discusses the possible management conflicts that occur from both account managers' and revenue managers' viewpoints.

### Methods

Data were collected through multiple data-collection methods in order to ensure the validity and reliability of this case study at the design stage (Yin, 1994, Denzin, 1998). These methods included document studies, non-participant observation and semi-structured interviews from three divergent sources: head office; three centralised sales and marketing offices (Corporate Sales, Leisure Sales and Airline Sales) and four hotel properties. Due to the complex nature of the study, a template analysis technique (King, 1998) was used to analyse data.

### Results

The findings of this study suggest that whilst most of the participants agree that both CRM and revenue management should complement each other in theory, the different managers' opinions about the compatibility between revenue management and CRM practices remain divided.

### Conclusion

This study concludes that its impact on customer relationships has not been fully followed up. It highlights the industry practitioners' dilemma of choosing between long-term relationship value or immediate revenue return. It also has verified the long-held supposition that customer relationships may well be affected by revenue management practice. More significantly, it has identified a number of potential management conflicts that appear to have caused the

incompatibility between customer relationship management and revenue management practices from a hotel company's perspective.