The role of CRM and e – CRM in the Hospitality and Tourism Industry and the reasons why they fail

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Abstract

Purpose: This article is an overview of the existing literature review in the aspect of CRM and e – CRM concluding opinions and theories of academic writers. The purpose of this article is to review the existing literature of CRM, the connection of e-CRM in the technological advantage and investigate more and in depth all the connection between CRM and e – CRM with customer retention and customer satisfaction with a focus in the rate of failure and the reason why CRM project fail and investigate research gaps.

Methodology: Secondary research has been conducted by using Oxford Brookes library databases such as business source complete, Emerald and hospitality and tourism complete, EBSCO host, Elsevier, on – line books, Journal of travel research and numerous academic journal articles.

Findings: There are findings which explain some of the reasons why CRM has a 55% to 77% failure rate and e – CRM a 65% of failure. This is due to insufficient training from employers or even motivation from employees in order to learn the CRM systems. Moreover, it was found that sometimes, e -CRM programs due to the high cost of programs are not preferred by SME companies and they prefer to keep the traditional marketing approaches which can lead to low customer retention.

Research limitations: All findings are based in secondary research in English articles without conducting a primary research. Approximately, in all academic journal articles, books and on line resources it was mentioned that there is a limitation in the literature review of e – CRM in the hospitality industry due to the lack of journal article resources and the small sample size researches.

Practical implications: Due to the fact that antagonism between hospitality industries grows, top managers should train fully the employees of lower hierarchical levels as it has a further influence in customers’ satisfaction and customers retention and SME’s have start and adopt CRM strategies according to their financial data.

Originality/value: This article helps a lot of people on how e – CRM was born and what are the main principles of the CRM before the emerge of WEB 2.0 era as there is a little difference between them. Moreover there is gap in the literature regarding hospitality industry as the articles do not offer an expanded knowledge due to small size samples and also due the fact that there are no articles that describe the steps that managers and companies have to do in order to overcome the lack of CRM in almost all SMEs.

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