The Mediating Role of Customer Orientation Strategy on the Relationship between CRM Technology and Hotel Performance

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ABSTRACT

Despite being acknowledged as an important element for business success, Customer Relationship Management (CRM) technology there seems to be inadequate study about the link between CRM technology and companies’ performance particularly in the Malaysian hotel industry. This paper strives to propagate the study of CRM technology in the hotel industry, by assessing the mediating role of customer orientation strategy on the CRM-performance link. Data for this study was collected through a survey and analyzed using the Partial Least Squares (PLS) method. The results indicate that CRM technology directly influences hotel performance and that the customer orientation strategy mediates the relationship between CRM and hotel performance. Hence it is recommended that hotel managers focus on customer orientation strategy in order to induce CRM technology for favorable business accomplishment.
1. Introduction

Malaysia’s tourist industry has grown steadily, with increase in tourist expenditure from 2006 to 2016; tourist arrivals have increased from 17.55 million in 2006 to 26.8 million in 2016, with receipts of RM 82.1 billion (Tourism Malaysia, 2017). However, the statistics for the average occupancy rate for hotels indicate that the percentage fluctuated between 2006 and 2015 (Tourism Malaysia, 2017).

Therefore, hotels must implement suitable strategies to face the strong competition in the market and consequently improve their performance, increase occupancy rates and achieve profit (Yen & Othman, 2011). In recent times, one of the most important strategies in the hotel industry is how to use their technology resources in marketing, because this enables organizations to make the right decision based on the right information collected from the right customers (Dev & Olsen, 2000). Kasim and Minai (2009) contended that there is a low usage of information technology amongst hotels in Malaysia, which can lead to lower-quality decision making and consequently can influence hotels’ performance adversely. In this case, Sigala (2005) asserted that CRM as a competitive advantage strategy becomes a necessity for attracting and improving guests’ patronage in the hotel industry. CRM technology can improve an organization’s ability to maintain profitable customer relationships through facilitating integration and sharing information that is capable of influencing smooth and efficient organization-customer interactions, effective analysis of customer data, and personalized and customized products and services (Mukerjee & Singh, 2009). Even though CRM technology has been linked to organizational performance, there is a lack of empirical research into the relationship of CRM technology and hotel performance (Fan & Ku, 2010; Wu & Lu, 2012).

Therefore, CRM should receive attention for future research in the hospitality industry. Specifically, it was contended that there is research opportunity in the hospitality industry, and thus scholars can contribute to theory development in that direction (Yoo, Lee & Bai, 2011; Line & Runyan, 2012). Kasim and Minai (2009) confirmed that there are few studies of CRM on hotel performance in the Malaysian context, and there is a need for more research in this area. As additional justification for future research regarding CRM technology and organizational performance, past studies have shown inconsistent results regarding their relationship. Specifically, some of the past studies demonstrated a significant and positive effect of CRM technology on organizational performance (Akroush, Dahiyat, Gharaibeh, & Abu-Lail, 2011; Kasim & Minai, 2009; Mohammed, Rashid, & Tahir, 2014), while others
reported a non-significant association between them (Ernst, Hoyer, Krafft, & Krieger 2011; Jayachandran, Sharma, Kaufman, & Raman, 2005; Yim, Anderson, & Swaminathan, 2004).

Furthermore, some studies demonstrated that CRM technology only had an indirect significant effect on organizational performance through organizational factors (Garrido-Moreno & Padilla-Melendez, 2011). These mixed findings might be the result of lack of understanding of the mechanisms that link CRM with organizational performance (Ernst et al., 2011; Reimann, Schilke, & Thomas, 2010). Consequently, further mediation research has been suggested (Ernst et al. 2011; Chang et al. 2010).

For CRM success, hotels are required to adopt a customer-centred strategy mindset, implying modification and adjustment of organizational culture, organizational structure, and employee performance measures and rewards (King & Burgess, 2008; Minghatti, 2003). Wu and Lu (2012) also asserted that CRM is created from the customer-orientation concept and has increasingly been applied to the hotel industry to improve the relationship between hotel enterprises and customers.

Previous studies have confirmed that greater customer-oriented behaviour in organizations has a positive impact on organizational performance (Kim, 2008; Yilmaz, Alpkan, & Ergun, 2005). In line with this argument, Zhou, Brown, and Dev (2009) asserted that the more superior a hotel’s customer orientation, the more the hotel is able to build up a competitive advantage based on market differentiation and innovation.

Based on the existing research, we can argue that a customer orientation strategy may play a mediating role on the relationship between CRM technology and hotel performance. Thus, the main objective of this study is to empirically investigate the relationship between CRM technology, customer orientation and hotel performance. The remainder of this study is organized as follows. Following the literature review, hypotheses concerning the direct and indirect effects of CRM technology on organizational performance are developed. We then discuss the methodology and empirical results. Finally, we present the implications, limitation and directions for future research.
2. Literature Review

2.1 CRM Technology

According to Rigby, Reichheld, and Schefter (2002), CRM technology involves information technology-based solutions designed to support the CRM process. It includes all computer technologies that are used by organizations to build long-term and strong relationship with their customers (Sin, Alan, & Yim, 2005; Yim et al. 2004; Garrido-Moreno & Padilla-Melendez, 2011). The computer technologies required in CRM include front-office applications supporting sales, marketing and service; and back-office applications facilitating the integration and analysis of data (Greenberg 2004; Jayachandran, Sharma, Kaufman, & Raman, 2005). The CRM front-office components enable the smooth transfer of information from the organization to customers by routing the information to employees working in relevant units, including marketing, sales and service. In other words, CRM implementation allows the smooth passage of customer knowledge within an organization that could lead enhanced decision making (Ryals 2005). Additionally, to achieve effective CRM, organizations need to utilize computer technologies to build and develop long-term relationships with their customers (Harding, Cheifetz, DeAngelo, & Ziegler, 2004).

2.2 Hypothesis Development

2.2.1 Direct Effect of CRM Technology

In order to obtain detailed information about customers’ profiles and preferences, service organizations must design suitable information systems (Jain & Jain, 2006). Chalmeta (2006) supported this argument, contending that to implement a CRM strategy successfully, it is essential to have the right technology for automating and enhancing the business processes, linked with managing the company’s relationships with their customers, mainly in the areas of sales, marketing and after-sales service.

Law, Leung, and Buhalis (2009) concluded that in today’s era of the Internet, e-mail enquiries are the primary means of communication between hotels and customers, implying customers’ high expectation of receiving an immediate response. They also stressed that having a good website can generate more business opportunities, in addition to enhancing the company’s image and supporting the relationship that it creates with institutional as well as individual customers. Furthermore, due to the timeliness and significance of data offered by CRM technology, many hotels are employing it to improve their service quality.
Kasim and Minai (2009) also found that the CRM technology dimension has a positive relationship with hotel performance. Therefore, hotels should utilize information technology to improve their performance. In this case, CRM policy development calls for an in-depth knowledge of the needs, behaviour and preferences of customers and, in this context, new technologies are one of the core drivers of change (Minghetti, 2003).

Despite the numerous benefits that can be gained by using CRM technology, the results regarding the influence of information technology on hotel performance are inconsistent. Some studies reveal a non-significant relationship between technology and hotel performance (Karadag, Cobanoglu & Dickinson, 2009; Tavitiyaman, Qu, & Zhang, 2011). Law and Au (1998) found that investment in information technology does not increase hotel performance; hotels can spend significant resources on computer technologies without achieving enhanced performance.

In contrast, some studies reveal a positive role of technology on organizational performance, through its ability to gather, store, refine, analyze and disseminate customer information within the organization, improving organizational ability to attract and retain current and potential customers. Furthermore, without the role of technology many customer-centric strategies fail to achieve their goal (Abdullateef, Mokhtar, & Yusoff, 2010; Eid, 2007; Raman, Wittmann, & Rauseo, 2006; Sigala, 2005; Sin et al., 2005).

The previous discussion and the Resource-Based View (RBV) theory indicate that organizational resources and capabilities (i.e. CRM technology) can lead to superior performance and gaining competitive advantage in the market (Greenley, Hooley, & Rudd, 2005; Ruiz-Ortega & Garcia-Villaverde, 2008). Thus, we offer the following hypothesis:

H1: CRM technology has an influence on hotel performance.

2.2.2 Indirect Effects of CRM Technology

A customer-oriented organization refers to the types of organizational orientation in which customer needs serve as the focus for all the organization’s plans and strategies (Dean, 2007; Narver & Slater, 1990; Yueh, Lee, & Barnes, 2010). The literature on the marketing concept generally supposes that the implementation of a customer orientation strategy will lead to better organizational performance (Kennedy, Lassk, & Goolsby, 2002; Piercy, 2002). Several empirical studies found a positive association between customer orientation and organizational performance (Asikhia, 2010; Tajeddini, 2011; Zhou et al., 2009).
According to the RBV, customer orientation strategy is considered as an organizational resource that can enable the organization to improve its performance and achieve a competitive advantage in the market (Zhou et al., 2009). With the knowledge of what customers need, a customer-oriented organization can then make its products or services more appealing by adapting its marketing mix (Miller, 1988). Furthermore, because the customer-orientation strategy helps to achieve long-term customer satisfaction, organizations will be highly motivated to provide goods or services that uniquely satisfy the particular needs of their customers (Slater & Narver, 1998).

On the basis of the source positions performance framework (Reimann et al., 2009), we propose a model in which the performance effect of CRM technology (as a source) is mediated by the customer orientation strategy of the hotel (as a position), which in turn yields superior performance. This argument is in line with previous studies (Reimann et al., 2009; Sawhney & Zabin, 2002), who asserted that any assessment of CRM’s effect on organizational performance should consider business strategies.

The use of CRM technology in the hotel industry is expected to enhance the hotel’s ability to sustain efficient and profitable customer relationships through enabling information integration and sharing, which eventually increases the efficient and smooth organization-customer interactions; comprehensive analysis of customer data, and customization of responses (Mukerjee & Singh, 2009).

Reimann et al. (2009) also indicated that CRM enables the firm to obtain in-depth information about its customers and then use this knowledge to become a customer-oriented organization and consequently, adapt its offering to meet the needs of its customers in a better way than does its competitors. Therefore, CRM technology is associated with customer orientation strategy, which enables hotels to achieve superior performance. Thus, we propose the following hypothesis:

H2: Customer orientation strategy mediates the relationship between CRM technology and hotel performance.
3. Methodology

3.1 Data Collection

The population comprises 447 3- to 5-star hotels listed by the Malaysian Association of Hotels (MAH). Zikmund (2003) stated that when the sample units in the population are limited, the researcher may decide to study the whole population rather than taking a sample. Due to the relatively small number of 3- to 5-star listed Malaysian hotels (447), it was decided to survey the entire population. This category of hotels was selected because it is only within these larger establishments that an interest in CRM is likely to be expected (Kasim & Minai, 2009). In line with this argument, previous studies contended that within this category of hotels the implementation of CRM plays a vital role in enhancing customer value, increasing customer satisfaction and, consequently, achieving a competitive advantage and maximizing profit (Daghfous & Barkhi, 2009; Wu & Lu, 2012). A mail survey was used to cover the wide geographical area. However, this method has the disadvantage of a low response rate, so techniques were employed to increase the rate. These included sending a postage-paid envelope to return the questionnaires, visiting some hotels located in the north region of Malaysia (Penang, Kedah and Perlis) as well as in Kuala Lumpur, using a research assistant to cover some areas (e.g. Sabah, Sarawak, Kuala Lumpur, Johor and Kelantan) and sending with the questionnaire a covering letter from the Malaysian Association of Hotels (MAH). 164 questionnaires were returned, of which nine were from hotels not using CRM and three were incomplete and therefore rejected. The remaining 152 questionnaires were accepted and used for further analysis.

3.2 Questionnaire Development and Measures

To test the hypotheses, the study employed a standardized questionnaire as the main data collection instrument. It had two sections. In the first we asked for socio-demographic data (gender, age, position in hotel, and working experience); and hotel-related data (star rating, category, hotel affiliation, years of operation, number of employees, number of rooms, and average occupancy rate). In the second section, items for CRM technology, customer orientation, and hotel performance were presented, to be answered on a five-point Likert scale (1 = “Strongly disagree” and 5 = “Strongly agree”).

In operationalizing CRM technology, the study adopted technology-based CRM from Sin et al. (2005) and Garrido-Moreno and Padilla-Melendez (2011) and measurement items for customer orientation from Garrido-Moreno and Padilla-Melendez (2011). For hotel
performance we followed Wu and Lu (2012), adopted from Kaplan and Norton (2004) and Hsin Chang and Ku (2009), measuring organizational performance using the four dimensions of balanced scorecard (BSC). This BSC multi-dimensional construct of performance involves both financial and non-financial aspects and provides a comprehensive and quick view of the business.

4. Analysis

The study used partial least squares (PLS) for data analysis. PLS is commonly employed in management and marketing (Anderson & Swaminathan, 2011; Luo, Li, Zhang, & Shim, 2010). One of its many important features is its suitability for use with limited sample sizes (Henseler, Ringle, & Sinkovics, 2009), as it exposes more advanced statistical influences than covariance-based SEM when used on complex models with a small sample size (Reinartz, Haenlein, & Henseler, 2009). This was relevant to our study of 152 cases. The study also used the PLS technique because previous studies indicated that structural equation models were found to be better than regressions for measuring mediation (Hair, Ringle, & Sarstedt, 2013; Hayes & Preacher, 2014).

The interpretation and analysis of the model in PLS-SEM takes place in two separate steps (Barclay, Higgins, & Thompson, 1995): (1) analysis of the measurement model; (2) analysis of the structural model. This sequence ensures that the measurement scales are valid and reliable.

4.1 Measurement Model Results

Two types of validity (convergent and discriminant) were tested to assess the measurement model. The convergent validity of the measurement is usually determined by investigating the loadings, average variance extracted (AVE) and also the composite reliability (CR) (Gholami, Sulaiman, Ramayah, & Molla, 2013; Rahman, Amran, Ahmad, & Taghizadeh, 2015). The loadings were all higher than 0.708, the composite reliabilities were all higher than 0.7 and the AVE of all constructs were higher than 0.5, as suggested in the literature (see Figure 1 and Table 1).
Figure 1
Measurement model

Table 1
Convergent validity

<table>
<thead>
<tr>
<th>Latent variable</th>
<th>Items</th>
<th>Loading</th>
<th>Composite Reliability (CR)</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>orientation Organization’s business objectives are oriented to customer satisfaction</td>
<td>0.717</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization closely monitors and assesses its level of commitment in serving customer needs.</td>
<td>0.658</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization’s business strategies are driven by objective of increasing value for customers.</td>
<td>0.703</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization frequently measures customer satisfaction.</td>
<td>0.815</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization pays great attention to after-sales service.</td>
<td>0.692</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization offers personalized products and services for key customers.</td>
<td>0.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRM Technology</td>
<td>The hotel has the right hardware to serve its customers.</td>
<td>0.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization’s information systems are integrated across the different functional areas.</td>
<td>0.756</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individualized information about each customer is available at all contact points.</td>
<td>0.791</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization is able to consolidate all information acquired about customers in a comprehensive, centralized, and up-to-date database.</td>
<td>0.871</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The indicator loadings, CR and AVE of the constructs are shown in Table 1. Most of the loadings exceeded the recommended value of 0.708 (Hair, Hult, Ringle, and Sarstedt 2017); others above 0.6 were also accepted if leading to AVE larger than 0.5. Items TCRM1, TCRM3, CO2, CO3, FP1, CP1, IBP3, and LGP1 with low loadings were subsequently dropped. All three constructs met the minimum cut-off values for CR (greater than 0.7) and VAF (greater than 0.5) (Hair et al., 2017). Therefore, the constructs met reliability and convergent validity requirements at this stage.

To measure discriminant validity, the Fornell and Larcker criterion was used: we calculated the square root of the AVE; for each construct this was greater than the correlations among the constructs in the model, indicating that discriminant validity was well established (Hair, Hult, Ringle, & Sarstedt, 2014; Chin, 2010; Fornell & Larcker, 1981) (see Table 2). Regarding hotel performance, the study also used the overall construct rather than the individual dimensions of BSC in the analysis to reflect the overall performance of the organization (Hsin Chang & Ku, 2009; Jusoh, 2008) Based on the results in Tables 1 and 2, the measurement model was considered satisfactory from the evidence of reliability, convergent validity and discriminant validity, and it was used to test the hypotheses.
Table 2
Discriminant Validity using Fornell and Larcker criterion

<table>
<thead>
<tr>
<th></th>
<th>CRM Technology</th>
<th>Customer Orientation</th>
<th>Hotel Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRM technology</td>
<td>0.790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Orientation</td>
<td>0.505</td>
<td>0.728</td>
<td></td>
</tr>
<tr>
<td>Hotel Performance</td>
<td>0.419</td>
<td>0.541</td>
<td>0.826</td>
</tr>
</tbody>
</table>

4.2 Assessment of Structure Model

After establishment of the validity and reliability of the measurement model, the hypothesized associations were assessed by running the PLS algorithm and bootstrapping in SmartPLS 3.0. The structural model shows the causal relationships among constructs in the model (path coefficients and the R2 value). The R2 and the path coefficients (beta and significance) indicate how well the data support the hypothesized model. According to Hair et al. (2014), the most critical standard for assessment of the structural model is R2, as the purpose of the prediction-oriented PLS SEM technique is to explain the endogenous latent variables’ variance, and hence R2 as one of the core target constructs has to be high.

According to Hair et al. (2014), in marketing research, an R2 value of 0.75 is substantial, 0.50 is moderate, and 0.25 is weak. Based on the results from running a PLS algorithm, R2 was found to be 0.311, indicating that CRM technology and customer orientation strategy accounted for 31.1 percent of the variance in hotel performance, which is between moderate and weak. Table 3 presents the results of the structural model from the PLS output.

Table 3
Hypothesis testing (direct and indirect effect of CRM technology on hotel performance)

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Std. Beta</th>
<th>Std. Error</th>
<th>t-value</th>
<th>p-value</th>
<th>CI 5%</th>
<th>CI 95%</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 CRMT→HP</td>
<td>0.195</td>
<td>0.094</td>
<td>2.07</td>
<td>0.039</td>
<td>0.009</td>
<td>0.379</td>
<td>Support</td>
</tr>
<tr>
<td>H2 CRMT→CO→HP</td>
<td>0.224</td>
<td>0.061</td>
<td>3.670</td>
<td>0.000</td>
<td>0.108</td>
<td>0.334</td>
<td>Support</td>
</tr>
</tbody>
</table>

These results indicate that CRM technology has a positive and significant influence on hotel performance (β= 0.195, p<0.05), thus H1 is supported. To assess the mediating influence of customer orientation strategy, the study used bootstrapping because it is accurate and more powerful than other techniques (Zhao, Lynch & Chen, 2010; Hayes, 2013; Hair et al., 2014). Specifically, the bootstrapping technique with 5,000 samples and 95% confidence intervals (CI) was used in assessing the indirect effects, following the strategy of Preachers and Hayes (2008) as recommended by Zhao et al. (2010), Hayes (2013) and Hair et al. (2014). The outputs of PLS provide the CI values of the indirect effect a*b; when a 95% CI excludes zero,
there is evidence of an indirect effect linking X and Y via the mediator with 95% confidence, establishing the mediation.

The criterion suggested by Zhao et al. (2010) is also utilized to decide the type of mediation, whether full or partial. The indirect effect $a*b$ must be significant as the necessary condition for mediation; when the path $c$- is not significant, there is full mediation. However, when the entire paths $a$, $b$ and $c$- have similar signs, there is complementary partial mediation and when the paths $a$, $b$ and $c$- have different signs, there is competitive partial mediation.

The results of bootstrapping regarding the mediating effect of customer orientation on the link between CRM technology and hotel performance are shown in Table 3. They demonstrate that the CI of the indirect effect of CRM technology on hotel performance with the mediator variable customer orientation is ($\beta = 0.224$, 95% CI = 0.108 to 0.344); this does not include zero. Thus, the results indicate that customer orientation mediates the relationship between CRM and hotel performance. The results also show that the direct effect $c$- was significant and the signs of the paths $a$, $b$, and $c$- were positive, indicating that customer orientation is a partial mediator (complementary) on the relationship between CRM technology and hotel performance.

5. Discussion

The results indicate that CRM technology has a positive and significant impact on hotel performance ($\beta = 0.195$; $p < 0.05$). This is in line with previous studies which stated that CRM technology can help organizations to improve their performance (Akroush et al., 2011; Dutu & Hălmăjan, 2011; Kasim & Minai, 2009, Mohammed et al., 2014). Furthermore, the current finding is consistent with the findings of Tavitiyaman et al. (2011) and Camisón (2000), that information technology creates added value within a firm.

Hence, the hardware and software of CRM technology can assist organizations to serve their customers in an effective manner and consequently improve customer satisfaction, loyalty and retention, which in turn can lead to improved financial performance (Alkrouch et al., 2011). In this respect, CRM technology can enable hotels to incorporate the related information on each customer within the enterprise in order to smooth the progress of more effective planning, marketing and services, which in turn helps to create a competitive advantage. With current advances in information technology, a new system can be used to enhance the power of the organization toward reduction of internal costs and better
relationship with the environment, which may consequently lead to economic profit in the long run.

The results also show the partial mediation of customer orientation strategy on the relationship between CRM technology and hotel performance. Therefore, hoteliers should have a customer orientation strategy in their establishments to actualize CRM technology performance and consequently improve their organizational performance.

Thus, CRM technology can help service organizations to obtain detailed information on customer profiles and preferences, consequently becoming customer-oriented hotels by offering service as agreed with customers, and continuously putting customers’ requests and interests ahead of the organization’s own (Kim & Cha, 2002). Thus, in today’s volatile business environment, hotels have to continuously accumulate intelligent information about the market’s current and future needs, as well as disseminating this information to all the organization’s departments, thereby responding to changes promptly. Since the employees of customer-oriented hotels offer high service quality as representatives of the hotel, the performance of the hotel will be enhanced accordingly (Fan & Ku, 2010). This result is also supported by Tajeddini (2010), who contended that hotel owners and managers who place the needs and satisfaction of the customer as the priority of their organization are capable of achieving their sales, profit, and return on investment (ROI) objectives.

Generally, in the hotel sector the face-to-face connection between customers and employees is very important for delivering products and services; therefore, the service provider must have a customer-orientated manner to provide high-quality service. As a result of the customer-oriented behaviour of hotel employees, the relationship with customers will be maintained and, consequently, customer satisfaction, loyalty and overall hotel performance will be improved.

6. Implications, Limitations and Directions for Future Research

This study helps to fill a gap in the literature by looking at the influence of CRM technology on hotel performance. It contributes to an understanding of the influence of CRM technology on hotel performance, which is still ambiguous (Akroush et al., 2011; Sin et al., 2005).

The study contends that customer orientation strategy plays a vital role in improving hotel performance. Therefore, managers in 3- to 5-star hotels should orientate both the firm and its workers to make the needs and wants of customers their top priority. By sufficiently understanding the needs and wants of customers, hotel managers can provide products and
services agreeable to them, and must continuously put the customers’ requests and interests ahead of those of the organization. For those hotels (usually 4- and 5-star) currently using sophisticated technology and implementing processes to acquire, maintain, manage and share customer information, improving their employees’ skills and ability to deal with this sophisticated technology, as well as to identify their customers’ needs and wants, should increase efficiency. On the other hand, hotels that have limited resources to implement sophisticated technology and face difficulties regarding investment in technology, might consider outsourcing. Contracting or renting information technology systems can offer another option for this type of hotel to enhance amenities and facilities that can be used to build and maintain long-term relationships with the customers and consequently improve their performance.

Despite insights gained through our results, this study is not without limitations. It relied on samples drawn specifically from 3- to 5-star hotels in Malaysia. Thus, it is not certain whether the results obtained can be generalized to other sectors. The study only examined the relationships between CRM technology, customer orientation strategy and hotel performance. Future studies should investigate other variables that may influence the relationship between CRM technology and hotel performance, such as hotel attributes and external environmental variables. According to previous studies (Becker, Greve, & Albers, 2009; Boulding, Staelin, Ehret, & Johnston, 2005), the impact of CRM on the performance of an organization depends on the situation of the organization and the market environment. Future studies might also explore the influence of CRM technology and customer orientation strategy in the hotel sector from the customer’s point of view.

7. Conclusion

In conclusion, the aim of this study was to investigate the relationship between CRM technology and hotel performance in light of the mediating role of customer orientation strategy. It is hoped that it contributes to both academics and business practitioners by expanding their understanding of CRM technology’s role in hotel performance. By assessing the holistic model which reveals the relationship among CRM technology, customer orientation strategy and hotel performance, this study helps hoteliers to know what to do in order to realize CRM technology performance. It is evident that customer orientation strategy plays a vital role in translating CRM technology into business outcomes in the hotel industry.
References


