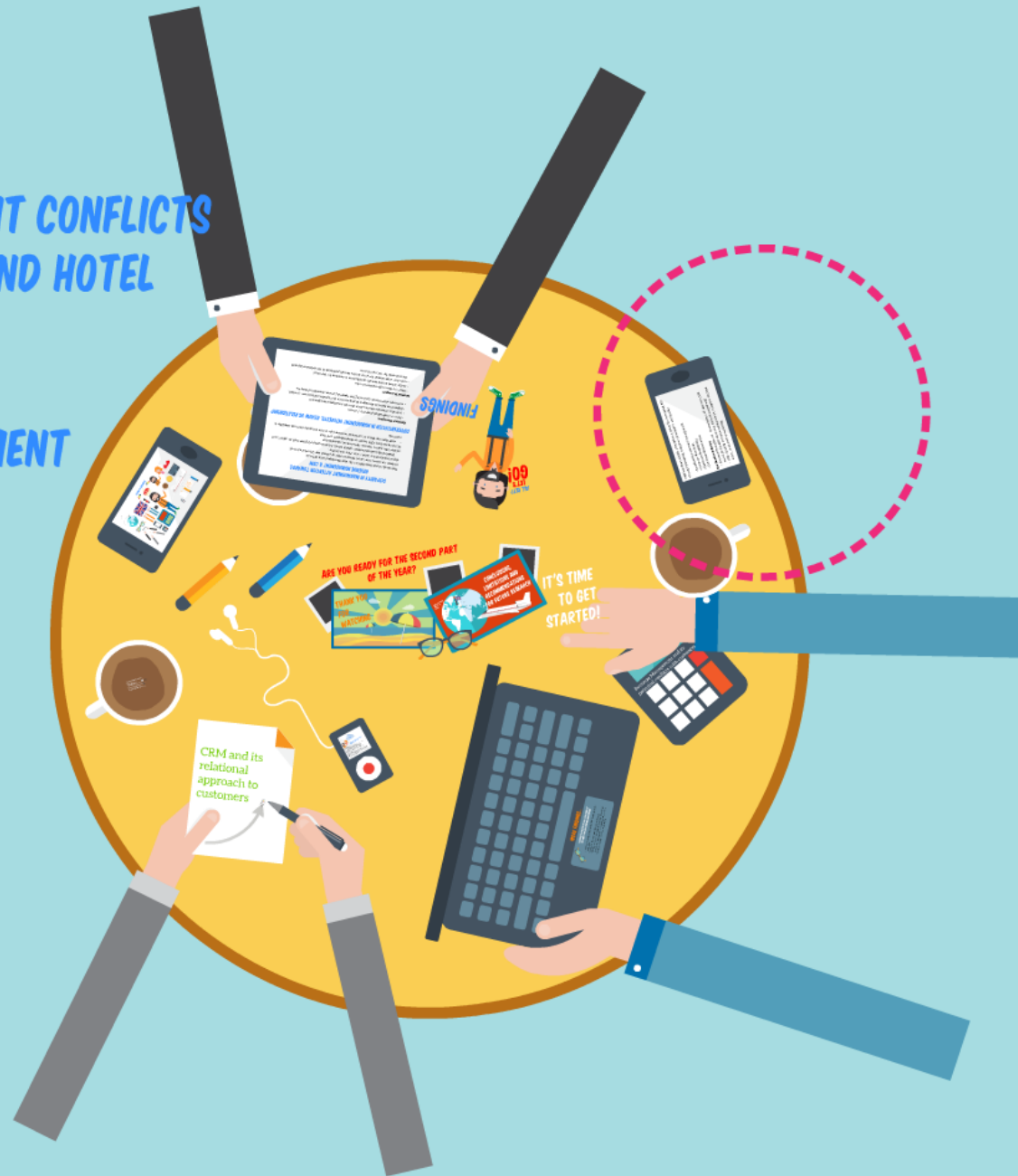


RELATIONSHIP OR REVENUE: POTENTIAL MANAGEMENT CONFLICTS BETWEEN CUSTOMER RELATIONSHIP MANAGEMENT AND HOTEL REVENUE MANAGEMENT

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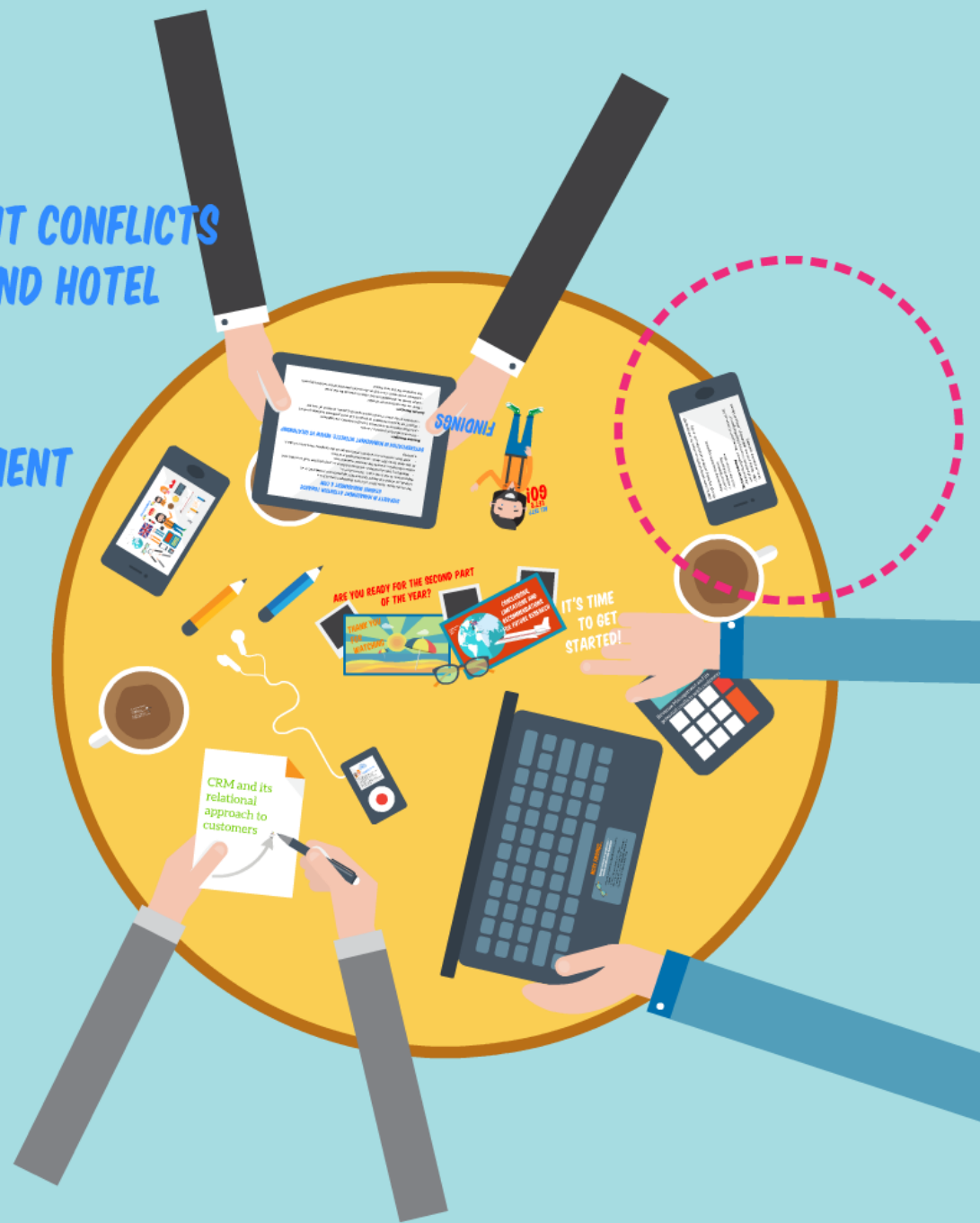


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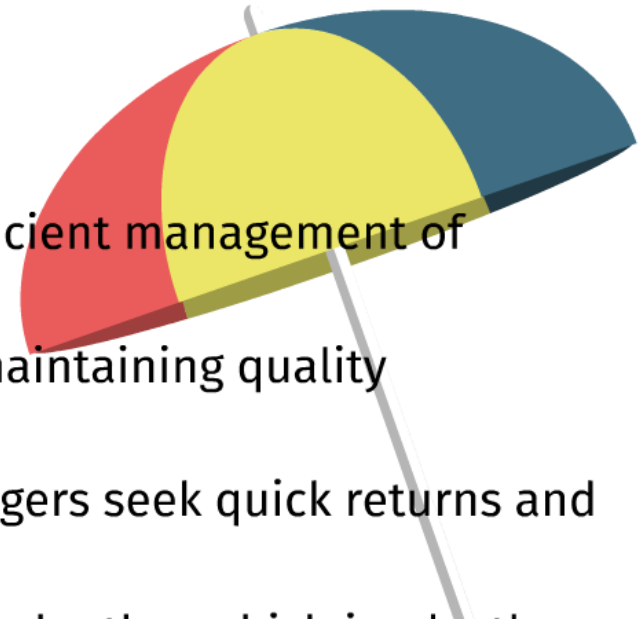
CRM and its
relational
approach to
customers



In a global economic recession environment and a volatile ever changing market Revenue Management and CRM as seen as keys to maintain corporate financial success

Tourism Industry

- Revenue Management is seen as the effective and efficient management of perishable inventory
- CRM is the practice that yields profitable returns by maintaining quality relationships with valuable key-customers
- Revenue Management and CRM often collide as managers seek quick returns and maximization of corporate profitability
- Both Revenue Management and CRM affect directly each other which is why they should be seen and dealt as complementary business practices



CRM has been widely adopted as a mean for increasing ROI through improving customer satisfaction and loyalty

- Relationship-oriented management
- Customer Retention
- Customer Profitability
- Customer lifetime value

The Tourism Industry

- Revenue Management : Maximization of revenues, full use of perishable inventory (Yield Management)
- CRM : Quality customer relationships, customer lifetime value, relationship marketing

Revenue Management and its
potential conflicts with customers

CRMS AIM TO DEVELOP PROFITABLE CUSTOMER RELATIONS WHILE REV.MANAGERS AIM TO MAXIMIZE PROFIT BY CONTROLLING PRICING, INVENTORY & CUSTOMER MIX

POTENTIAL CUSTOMER CONFLICTS:

- **HOW FAIR AND TRANSPARENT ARE RM PRACTICES?**
- **PRICE FLUCTUATION BRINGS MISTRUST**
- **INVENTORY CONTROL & RESTRICTIONS BRING DISSATISFACTION**



OVERALL RM AFFECTS CUSTOMER SATISFACTION & TRUST, ESPECIALLY IN HOSPITALITY INDUSTRY BECAUSE OF THE INCOMPATIBLE NATURE OF CRM & RM

THERE ARE THEREFORE MANY MANAGERS WHO ARE RELUCTANT TO ADOPT RM STRATEGIES. HOWEVER THE LITERATURE IS POOR AND THUS THE NEED FOR THIS STUDY

ALL SET?
LET'S
GO!

