



Mapping the Dimensions of Electronic Service Quality with Electronic Customer Relationship Management (e-CRM) Features for Electronic Reservation

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ABSTRACT

With the growth of electronic commerce (e-commerce), electronic service (e-service) is becoming important for supplementing e-commerce functions as customers require a high quality of services in electronic market. Researcher shows, hotels that adopt e-CRM solutions would expect that the application improve their operational effectiveness and therefore deliver value to the organizations. This paper addresses the mapping of the dimensions of e-service quality with electronic customer relationship management (e-CRM) features for electronic reservation in hotel services. In this study, dimension of e-service quality is conceptualized based on the literature review of the e-CRM features. Our study suggests that the service quality of both incubative dimension and active dimension are important for hotel services to attract customers in the electronic market. In this study, the mapping process is based on 42 e-CRM features. It illustrate that different dimension of e-service quality are of different importance in electronic reservation. Furthermore, it is implied in this study that reliability, efficiency, support, communication, security, incentive, ease of use, linkage and information are vital for electronic reservation in hotel services.

Keywords: *e-service quality, e-CRM, electronic reservation, mapping, hotel services*

Introduction

Electronic services (e-services) are becoming important for supplementing e-commerce function as customers require a high quality of service in electronic market. E-services are expected to help in reducing customers' service costs, tighten customers' relationships and personalized marketing strategies.

In response to the rapid development and commercialization of ICTs, electronic reservation for hotel services has also been introduced and widely implemented throughout the world. In Malaysia, there is growth of electronic reservation service over the past few years. This service offers many advantages especially to customers and retailers.

Through electronic reservation service, customer services are enhanced, information is personalized and other accommodation information is integrated. For that reason, e-service quality should be put into consideration. As millions of customers are using the electronic reservation service, hotels and retailers should also have a very good understanding of customer relationship management (CRM) and electronic customer relationship management (e-CRM) for customer loyalty and satisfaction.

E-Service Quality

Customer satisfaction with the service quality can be defined by comparing perceptions of the service received with the expectations of the services desired. If expectations are exceeded, service is perceived to be exceptional quality. If expectations are not met, service quality is deemed unacceptable. When expectations are confirmed by perceived service, quality is satisfactory.

Developed from internet marketing and traditional service quality literature, the concept of service quality in e-commerce which is known as e-service quality, can be defined as the customers overall evaluation and judgment of the excellence and quality of e-service offerings in the virtual marketplace. In contrast to the traditional service offerings, customers are likely to evaluate each sub-process in detail during a single visit to a website rather they are likely to perceive the service as an overall process and outcome (Adam, 2004). For online customers, e-service quality of a high standard is the means by which the potential benefits of the internet are realized. For online businesses, e-service quality can create distinctiveness, and this is especially useful for small companies.

E-service quality can offer not only online commercial companies with competitive advantages in the marketplace but also involve customers in the product development process through quick feedback and enhanced customers relationship (Avram, 2002).

Customer Relationship Management (CRM) and Electronic Customer Relationship Management (E-CRM)

Customer relationship management (CRM) is a comprehensive business and marketing strategy that integrates technology, process and all business activities around the customers (Anton, 1996; Anton and Earp, 2002). CRM automates and centralize customer contacts, allows the development of products and services by better understanding underlying customer behavior provides a way to handle customer questions and complainers, and provide direct immediate information to sales, marketing and employees as needed to better serve the customer (Forbes, et.al, 2005). The internet has been provided with a platform to deliver CRM function on web which is known as electronic customer relationship management (E-CRM). According to Andy and Narendra (2004), E-CRM has three general areas which are presales information (corporate and product), e-commerce services and post-sales support. Satish et. al (2002) said that CRM is a strategy that provides seamless integration of every area of business that relate to customers namely marketing, sales, customers service and field support through integration of people, process and technology. On the other hand, with the invention of internet-based technology, E-CRM systems will expand the traditional CRM techniques by integrating technologies of new electronic channels with electronic business applications into the overall enterprise CRM strategy. Both CRM and E-CRM systems have unique characteristics that support customer business interaction.

Electronic Customer Relationship Management (E-CRM) Features

Anton and Postmus (1999) has identified 25 factors that combine to be an index of E-CRM activities of the firm as shown below:

Contact and Information, General E-CRM Features:

- Site customization
- E-mail
- Fax
- Toll-free numbers
- Postal address
- Call back button
- Voice over IP
- Bulletin board
- Local search engine
- Membership
- Mailing list
- Site tour
- Site map
- Introduction for first time users
- Chat room
- Electronic bulletin board
- Online purchasing
- Customization possibilities
- Purchase condition
- Preview product
- Product information online
- Linkage

Post-sales Support Features

- FAQs
- Problem Solving
- Complaining Ability
- Spare Parts

Additional E-CRM Features

To supplement these 25 factors Feinberg, Kadam, Hokama and Kim (2002) have reviewed the professional literature and identified another 16 additional E-CRM features that might be present on a retail website.

- Affinity Program
- Product Highlights
- Request for Catalogue
- Quick Order Ability

- Ease of Check Out
- Ability to Track Order Status
- Gift Certificate Purchase
- Store Locator
- On-sale Area
- Members Benefits
- Order
- Speed of Download Page
- Account Information
- Customer Service Page
- Company History/Profile
- Posted Privacy Policy

Methodology

This section will discuss the approach that had been used in conducting the study of electronic reservation for hotel services. Research approach can be defined as an approach that is used in conducting a research while methodology is a technique that is used in the process of gathering and collecting data and information for the research. Research approach comprises of information on how data and information will be collected. Research model is a model that used as a guideline and scheme in conducting this study. Figure 1 below shows a research approach and methodology has been used.

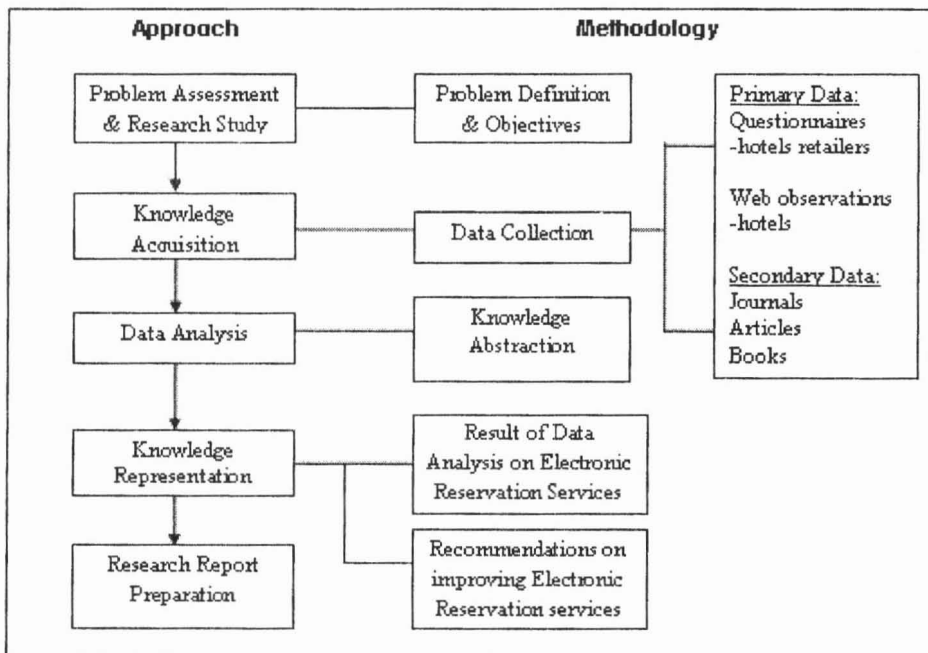


Figure 1. Research approach and methodology

Based on the Figure 1, five steps need to be taken in carrying out the research. The five steps are:

a) Problem Assessment and Research Study

Problem assessment and research study is the first step taken in the study process. By undergone these processes, three problems that arise regarding the study topic are identified and assess. Through the identification, objectives of the study are recognized.

b) Knowledge Acquisition

Knowledge acquisition is the next step taken. In this stage, data and information needed are collected. Data and information are divided into two categories which are primary data and secondary data.

c) Primary Data

Primary data are acquired using two ways which are by distributing questionnaires and through web observations. Primary data are used as main sources of data and information for this study.

d) Questionnaires

Two types of questionnaires are prepared which are a set of questionnaires for customers and a set of questionnaires for retailers. 50 copies are distributed to five randomly selected hotels retailers that apply the electronic reservation services in carrying out their business affair. Three of the hotels are international hotels and the others are local hotels. The hotels are Shahzan Inn Kuantan, Vistana, Holiday-Inn, Ritz Carlton and JW Marriot. Through the questionnaires, data and information regarding retailers' perception towards the electronic reservation services are gathered. Other than that, retailers are required to give suggestions and recommendations to improve the service quality. Retailers' perceptions are assessing by using eleven dimensions of internet service quality of electronic retailing. The eleven dimensions are reliability, security, efficiency, ease of use, information, appearance, linkage, structure and layout, support, communication and incentives. The questionnaires (Zakariah, 2005) are divided into three sections. Section A required respondents to fill in questions regarding demographic information and respondents profile. Respondents are provided with multiple choices answers in this section. Section C consists of open ended questions that asked for respondents' comments and suggestions.

e) Web Observations

Web observations comprise of observations towards international and local websites that apply electronic reservation services in conducting their business. 30 local hotels and 19 international hotels have been selected randomly. For local hotels, hotels chosen are based on hotels location. Two or more hotels in each state in Malaysia are chosen to decrease biases. For international hotels, hotels chosen are hotels that has branch in Malaysia. A set of observation forms are prepared in avoiding biases in assessment process. Observations are asses by using eleven dimension and 42 features of electronic customer relationship management (ECRM). All questions in the observation form are related to questions included in questionnaires.

Hotels that have been chosen for the study are:

- Vistana
- Eden Garden
- Grand Continental
- Grand Bluewave
- Seri Malaysia
- Bayu Beach
- Desa Utara Pedulake
- Mutiara Pedu Lake
- Prince
- Maya
- Cititel
- Strawberry Park
- Villatab
- Suria Cherating
- Guoman
- Crown Plaza
- Kowloon
- Ritz Carlton
- Hyatt
- Shangri-la
- Equotarial
- Grand Plaza Park Royal
- Copthorneorchid
- Concorde
- Swiss Inn
- Promenade
- Sutera Harbour
- Puteri Pan Pacific
- Bluebay
- Pangkor Island
- Corus Paradise
- A Famosa Resort
- Century Mahkota
- Sunway Georgetown
- Paradise Sanday Bay
- Awana Kijal
- Kenyir Lakeview
- Lakehouse Cameron
- Hornbill
- Mandarin Oriental
- Renaissance
- Sheraton
- Nikko
- Marriot
- Quality
- Golden sand
- Holiday-Inn
- Swiss Garden
- Berjaya

Secondary Data

Secondary data are obtained through three ways which are revising on existing journals and articles related to the topics, revising related sources from internet and books. Secondary data are used as additional information in the study other than primary data.

Data Analysis

The process of knowledge acquisitions followed by data analysis which involves abstraction of knowledge based on data and information that gathered from previous activities. In this stage, data and information are analyzed and documented for the next stage. Data are analyzed using SPSS 11.5.

Knowledge Representation

Knowledge representation process includes presentation of data analysis on electronic reservation services and recommendations on improving electronic reservation services quality.

Research Report Preparation

The last process of this study is preparing complete research report which consists of all data and information that gathered through this study.

Previously, we already discuss and explain regarding research approach and methodology. Next, we will discuss about research model that have been used in this research. Research model that has been chosen is a research model of electronic service quality. The model was chosen as it represents all aspects of characteristics that related to topics. The model consists of eleven determinants that were ranked in order of importance, and were clustered into two major dimensions as shown in Figure 2.

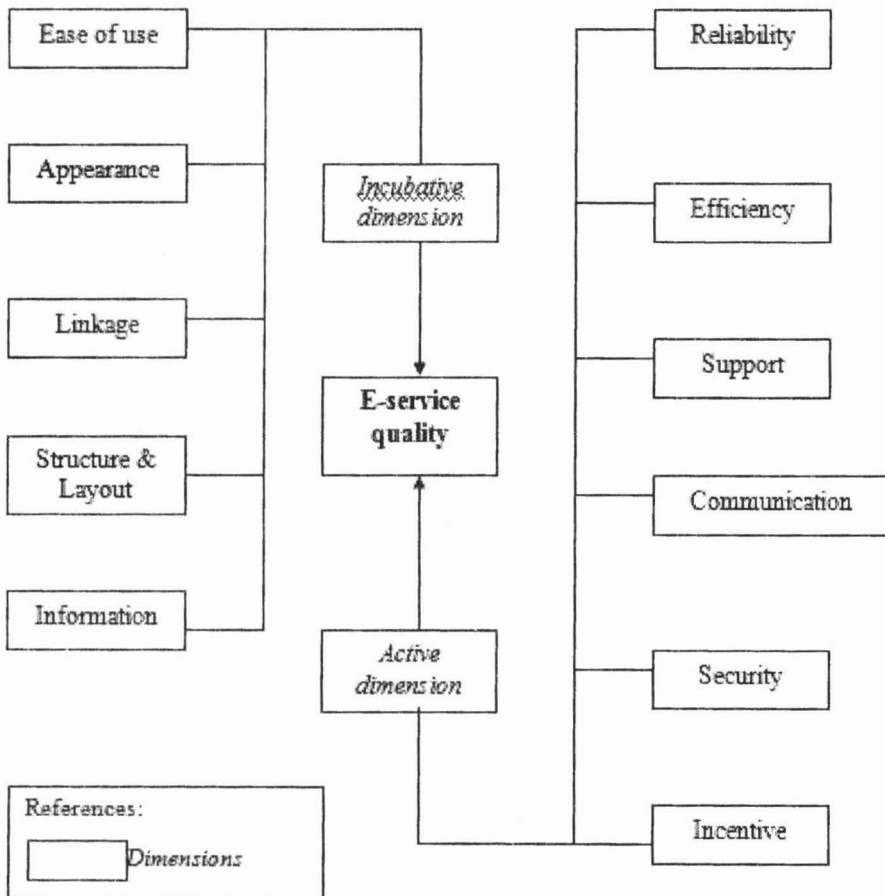


Figure 2. Research model

The research model consists of an incubative dimension and an active dimension. Research implied that the active dimension is as important as incubative dimension (Santos, 2003). The incubative dimension and the active dimension consists of five and six related (or potentially) overlapping determinants.

Santos (2003) stated the incubative dimension is defined as the proper design of a web sites and ways technology is used to provide easy access, understanding, and attractions to customers. The incubative dimension is ease of use, appearance, linkage, structure and layout and content. The active dimension is defined as the good support, fast speed and attentive maintenance that a website can provide to customers. Active dimension consists of reliability, efficiency, support, communication, security and incentive. Active dimension can increase customers' retention and encourage positive perception.

In this section a discussion about steps taken in conducting this study, method or ways that been used in gathering data and information are attached. Furthermore, there are also detail description about electronic service model that been applied in conducting this study in research model topic. Next section we will discuss about result and discussion about the research.

Findings and Discussion

Results and findings of the study indicate few hotels retailers are ignoring some important dimensions in fulfilling customers need such support dimension. Across the 49 hotels retailers that have been chosen randomly, shows that only 26 out of 42 e-CRM features are seriously implemented by hotels retailers. The most abandoned features are features that related to contact medium such as chat room, electronic bulletin board and others which should be taking into consideration. Furthermore, the study also points out that none of hotels retailers have apply mailing list in the electronic service. The results of e-CRM features show that all hotels retailers (100%) apply the most basic e-CRM features in their electronic service. Those features are site customization, local search engine, purchasing online, purchase condition, product information online, product highlights, store locator, on-sale area, order and company history and profile. Through the study, it found that the most unpopular features in electronic reservation service are features that related to contact medium such as call back button, voice over IP, bulletin board, electronic bulletin board and mailing lists. Some researchers suggest that the situations due to the high cost in implementing such services. The perception has effect customers' participation in the electronic reservation service. Bulletin board for example, is a customer to customer communication feature. If customer able to communicate among each other, it is believe that they can create better opinion an perception towards the service or the company. Furthermore, through bulletin board customers can share their problems among each other without have to bother to contact customer service.

The study also shows that hotels retailers should taking serious consideration on giving incentives to customers as rewarding them can create loyal customers. Based on suggestions and recommendations gave by respondents, hotels retailers should improve the electronic reservation service from all eleven dimensions and taking serious action on the most popular topic discussed by respondents which are support dimension and incentives dimension.

The study can be concluded in a framework that been produced from findings and of the study. The study indicates that hotels retailers have applied all eleven dimensions of electronic service quality but on 26 out of 42 e-CRM features have been seriously applied in the service. It is recommended that hotels retailers should improve their electronic reservation service fully applying all e-CRM features in the electronic reservation service as to ensure customers satisfaction, increase customers loyalty in which will create more profit for the company. Figure 3 shows the framework of electronic reservation for hotel services.

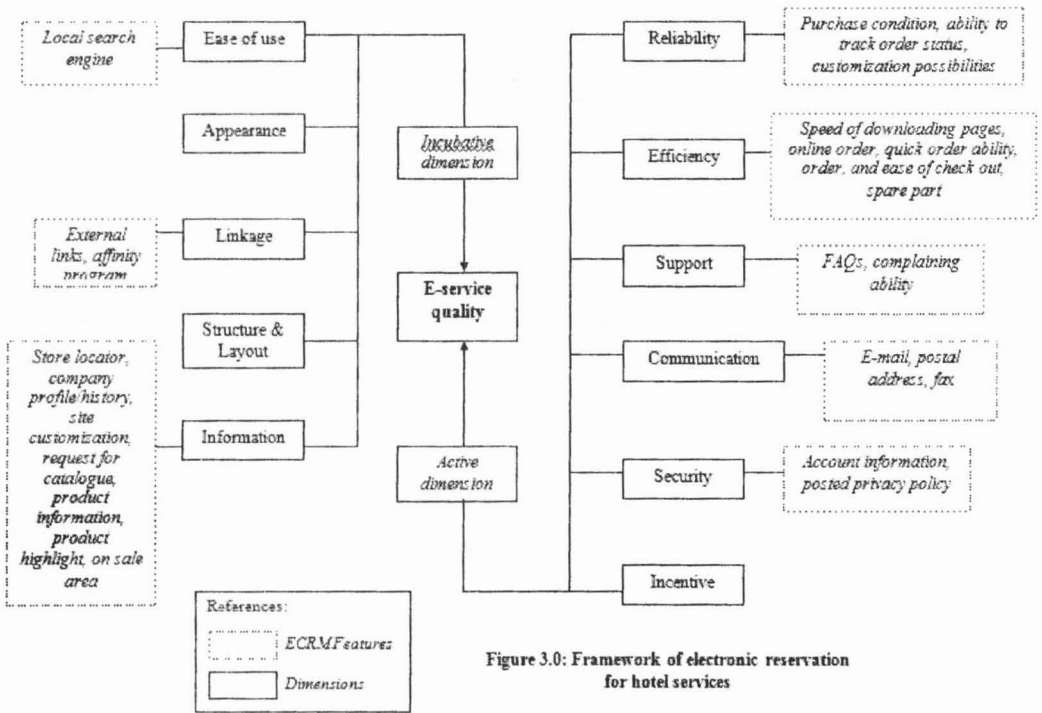


Figure 3.0: Framework of electronic reservation for hotel services

Figure 3. Framework of electronic reservation for hotel services

Conclusion

The study is based on eleven dimensions of electronic service quality and 42 e-CRM features. Both groups of factors are used in assessing customers and retailers perception. In assessing the state of electronic reservation for hotel services, e-CRM features that been implemented in the electronic reservation service are been taking into consideration. The study found that few hotels retailers ignored support dimension in their electronic reservation service. Web observation of 49 selected hotels shows that none of hotels retailers has applying all e-CRM features in their service. It is recognized there are 26 most popular features that been implemented by hotels retailers and another 16 features that been ignored by those hotels retailers. Through the recommendations and suggestions part, respondents have given their opinion on how to improve and enhance the electronic reservation service quality. The recommendation and suggestion have been grouped into the eleven dimensions of electronic service quality. Analysis and findings of the study have been fully used in developing a framework of electronic reservation for hotel services.

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