Customer Relationship in Tourism Industry

--- A case study of Swedish travel agency
Abstract

**Title:** Customer Relationship in Tourism Industry – A case study on a Swedish travel agency, Resia.

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**Key words:** travel agency, customer relationship management, service marketing mix, service quality, customer satisfaction, customer retention.

**Problem:** Any travel agency who wants to evaluate their service in order to keep customers’ loyalty and satisfaction, as well as to people who are interesting in CRM in travel business.

**Research question:** To describe how Resia uses customer relationship management.

**Methods:** This paper is a case study about Resia, and the analysis is based on empirical data collected through four interviews with different employees who work at Resia.

**Theoretical framework:** The theories were from articles and books which are related to customer relationship management, service quality, customer satisfaction and so on.

**Empiricism:** The research is based on interviews with two salespeople who work at Resia in Västerås; and two sales consultants who work at Resia in Eskilstuna.

**Conclusion:** Resia has some tools to implement the theoretical models which are used
in this research, like CRM. The most important objective is to keep customers in order to build the customer relationship.

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Yanfei Yan, Jie Yang
June, 2010
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Chapter 1. Introduction

In this introduction part, readers are provided with a general idea about the research area of this study. It begins with the problem background followed by the problem discussion, and then the overall research questions and purpose of the study is presented.

1.1 Problem Background

Globalization, increasing competition and advances in information and communication technology has forced companies to focus on managing customer relationships in order to efficiently maximize revenues (Ozgener, & Iraz, 2006). In today’s environment, firms are increasingly dependent on the relationship they have with their customers. With the implementation of customer relationships, firms often achieve greater payoff, such as positive word of mouth, referrals and loyalty (Kim & Cha, 2002). In particular for service business, managing customer relationship is important because of the inherent intangibility and heterogeneous characteristics associated with service delivery (Cheng, Chen, and Chang, 2008).

Customer Relationship Management (known as CRM) is defined as the process of managing detailed information about individual customers and developing stronger relationship with customers to maximize customer loyalty (Kotler and Keller, 2006, p.152). Furthermore, CRM is considered as a key competitive strategy which companies need to focus on the needs of the customers and to integrate a customer-facing approach throughout the organization. (Ozgener, & Iraz, 2006). Khalifa and Liu (2001) stated that, a survey of more than 1600 businesses and IT professionals which is conducted by Data Warehouse Institute, found that, some of the respondents have CRM project budgets of over $10 million. By using information and communication technology, businesses are trying to get closer to customers so that they can create a long-term customer relationship. Thus, deploying CRM initiatives has become very common (Ozgener, & Iraz, 2006).

On the other hand, in the present age of economic globalization, tourism supplies and demands become one of the most exciting, progressive and one of the largest industries in the world (Jiang & Cui, 2009). The World Tourism Organization (UNWTO) forecasts that international tourism will continue growing at the average annual rate of 4 %, expected to reach over 1.56 billion by the year 2020. Of these
worldwide arrivals in 2020, 1.2 billion will be intraregional and 377 million will be long-haul travelers. Long-haul travels will grow slightly faster than intraregional travels and by 2020 its share will increase from 18% in 1995 to 24%. By 2020, Europe will still be considered as the most popular destination, but its share will drop from 60% in 1995 to 46% (Long-term Prospects: Tourism 2020 Vision, World Tourism, 2004).

In its broadest sense, the tourism industry is the total of all businesses which directly provides goods or services to facilitate business, pleasure and leisure activities away from the home environment. Thus, tourism is a big business which has effects on almost every industry. It is said that nowadays tourism becomes everyone’s business because everyone gains if travels are planned and managed in a proper way. Tourism brings significant benefits for regional areas by diversifying the area’s economic base and expanding the employment market (Tourism, 2010).

1.2 Problem Discussion

Referring to tourism, the role of travel agencies as intermediaries for distribution of airline reservations, ticketing, transactions (Vasudavan & Standing, 1999) has changed. Since customers prefer travel agencies that can provide customized service, give expert advice on destinations, and assist in planning complex trips (Bureau of Labor Statistics, U.S. Department of Labor, 2007). A focus on customer relationships like providing customers value-added services, expert advice, and recommendations is becoming essential.

Travel agencies provide invisible services to customers directly, and so customers are the most important and valuable intangible assets for them. Customers' satisfactions are much more important than the earnings of travel agencies. Therefore, compared with other organizations, travel agencies need to establish their own business idea which regards customers as centre, and improve their competitiveness by building and developing customer relationship (Jiang & Cui, 2009). This is the reason why it is of interest to explore travel agencies and their use of CRM.

Resia Travel Group AB is one of the Scandinavia’s largest privately owned travel agency. By 2010, Resia ranked as Sweden’s best business travel agency for the third time in four years (Jenny Björklund, salesperson, Västerås, 5th, May, 2010). Thus, this research is about the strategy of customer relationship management at Resia.
1.3 Research Questions

The research questions are formulated as follows:

How does Resia use Customer Relationship Management in their business?

What are the most important objectives for Resia when they conduct customer relationship management?

1.4 Purpose

The purpose of this research is to describe how Resia uses customer relationship management.

1.5 Target Group

This research is beneficial for travel agent, as well as Resia, the travel agency in Västerås that the paper is studied on, to evaluate their service and to find out the customer’s expectation. It will also be of interest for other service companies who want to know how to keep customers’ loyalty and satisfaction. Furthermore, it may be useful for students who want to conduct research which is associated to the customer relationship management.
Chapter 2. Method

In the second chapter, the authors provide the readers with detailed and sufficient information about how this study was conducted. The motivation of theories will be explained and justified in this part in order to describe why the theories were used in Chapter 2 which are helpful to get a better understanding to answer the research questions in the introduction part. Brief information about the interviews which were conducted is discussed as well.

2.1 Introduction to Method

There are different research strategies depending on different purposes. Case studies are the preferred strategy when “how” or “why” questions are being posed, when the investigator has little control over events, and when the focus is on contemporary events within some real-life context (Yin, 2003, p.1). Since the strategies of Resia used to manage customer relationship were discussed in this research, case study is a good strategy choice for this research. A primary distinction in designing case studies is between single- and multi-case studies. The single-case study is an appropriate design under when determine whether a theory’s propositions are correct or explanations might be more relevant (Yin, 2003, p.40). Since Resia is the only investigated company, and the authors studied the actions and strategies of Resia and compared with theories of CRM. A single-case study was chosen as the research strategy.

The same case study may involve more than one unit of analysis. This occurs when, within a single case, attention is also given to a subunit or subunits, so that a more complex-or embedded-design is developed (See figure 1 below). In contrast, if the case study examined only single unit of analysis, then a holistic design would have been used. Since customer relationship management is the research topic, no other subunits would be identified. A holistic design was preferred to embedded design.
In this research paper, the authors chose a local travel agency, Resia, as a case study. To understand how Resia uses CRM doing business, the research starts with a literature review which is related to customer relationship management.

By starting from theory, the goal is to get a clear view about strategies that companies might use to achieve customer satisfactory and loyalty, and how can companies cultivate strong customer relationships. Those theories also provide a fundamental guide to the interview questions for the company.

However, the focus of this research is on the customer relationship management of Resia. And basically aimed at explaining more about the service quality of Resia to see how they implement the customer relationship management in their business. So the economics part of the company was not emphasized in this paper.

2.1.1 Choice of topic

The research studies how Resia performs CRM to do their business. According to Fisher (2007), a topic has to be interesting for the person who is doing the report as well as an external audience. Moreover, the access to data and resources are considered to be important factors when choosing a topic (Fisher, 2007). The authors chose CRM as a topic is because it is of great interest.

Firstly, as everyone in the world is a customer, CRM relates to everyone’s daily life. Secondly, CRM nowadays is an up-to-date topic to study with, and it becomes more and more important to companies to gain profits. Because of the increasing competition and advances in information and communication technology, customers
purchase not only physical product but also services. A focus on customer relationships which provides customers value-added services is becoming of great importance for companies (Ozgener, & Iraz, 2006). Thirdly, as a customer, the authors also would like to see how companies provide good service to customers. Furthermore, as a business student, the research topic reflects the study background of the authors.

2.1.2 Choice of organizations

The chosen company of this research is Resia---a Swedish based travel agency. It has over 60 travel agents around the country. Resia, located in Västerås and Eskilstuna, two different cities, was chosen to do the research.

First of all, Resia, as a Scandinavia's largest privately owned travel agency chain, focuses on full-service business. It is one of the favorite travel agencies for Swedish family (Resia, 27th, March, 2010). Resia would be a typical and good example among travel agencies in Sweden.

Secondly, Resia is a local travel agency aimed at doing business with local residents. According to Resia’s employees, Resia is seldom chosen as a study object, which made this research unique and interesting to explore.

Thirdly, Västerås is one of the oldest cities in Sweden, considered as the sixth largest city in Sweden with a population of 135,936 persons according to Västerås official report at the end of 2009 (Västerås, 2010). The research is limited to Resia which is located Västerås and Eskilstuna which makes the research more specific since they are two cities quite near. It also offers relatively easy access to the primary sources needed.

However, since Resia is a Swedish local travel agent, the concentration is on the marketing activities around Sweden and some other European countries, not the whole world, which leads that this research paper only provides a general view among Europe.

2.2 Motivation of Theories

In this research, theories from books related to service marketing and customer relationship marketing were collected. The theories in this research are divided into two sections.

Firstly, since Resia is a service company, an overview of the service industry was
introduced. Because of the unique characteristics of service, the service marketing mix was explained in the first part. Service quality was presented, because it plays a significant role in customer perception. This provided relevant information on how companies have to do in order to satisfy customers.

Secondly, customer relationship marketing was explained to get a clear idea about CRM and the main objectives for companies when they implement CRM which provided a significant foundation for the investigation. Strategies which companies can use to identify, know, keep and attract customers were presented. Those theoretical strategies were a useful guideline to conduct the interviews with the company.

2.3 Interviews

Interview is an important source for a case study. The face-to-face interaction between the interviewer and the respondent provides a direct focus on the topic and a deeper insight into the subject (Yin, 1994).

2.3.1 Choice of respondents

For this research, the authors have conducted four interviews. Two of the interviewees work at Resia in Västerås with face-to-face interviews; two of them work in Resia in Eskilstuna. Unfortunately, due to the time limit, one of the interviews in Eskilstuna was conducted by email. The research conducted four interviews with different respondents which helped the authors to have a broad view about Resia.

All these four interviewees have to contact with customers and offer direct service to customers every day. They are the executants of Resia’s business strategies. It is their work to present the image of Resia and deliver value to customers. Thus, they play quite important role in building customer relationship. Knowing their ideas about Resia’s strategies to implement CRM provides reliable information to this research.

The authors chose to interview two salespeople who work at Resia, Västerås. Both of them have been working in Resia for three years with proficient experience in the travel industry. They are mainly responsible for making reservations, doing receptions, providing travel plans and so on. Another two interviewees work in Eskilstuna, near to Västerås. Both of them work as travel consultants at Resia. One of them has been working at Resia since 1994 with professional experience in the travel industry. Another one has been working at Resia for 11 years. Their job is to solve customers’ problems, answer phone calls and providing customers their advices.

Salespersons and consultants are different types of jobs though they have something
in common. Salespersons sell products to customers while consultants solve problems for customers. The reason why the authors chose interviewees who work in Resia in different cities is because the working environment and conditions vary from different places and stores, employees may have different opinions and ideas. Besides, employees have different views depending on their working experience, and position in the company.

2.3.2 Interview process

Collection of the most important information for this research was conducted through interviews. An advantage with interviews is the verbal communication between the interviewer and the respondent, which provides a deeper insight into the subject (Lundahl & Skärvad, 1999).

It is known that there are three different types of interviews, structured, unstructured, and semi-structured interviews. Structured interview always focus on standardized set of questions, while unstructured interview is non-structured communication where questions can be adapted during the interview. Semi-structured interview is a combination of the two in which the general questions are set but allow for an open framework, where information can both be received and given. Learning is encouraged as follow up questions can be asked, and flexibility is given as there is room to add or omit questions (Saunder et al., 2007).

In this research, the authors used the semi-structured interviews which made the interviews more flexible so that more information was gathered during the interviews. Prepared questions related to the topic were the basic guide to the interview. However, conversation and interaction related to the topic were also allowed in the interview. Three face-to-face interviews were conducted about 30 minutes each. Interview was conducted at 14.00 pm on the 5th of May 2010 with Respondent A in Västerås. Interview with Respondent B was conducted at 12.00 pm on 18th of May 2010 in Västerås. The third interview with Respondent C who works in Eskilstuna was conducted at 11.00 am on 7th, May, 2010. The last interview was conducted on 10th, May, 2010 via email to Respondent D who works at Resia, Eskilstuna.

The interviews were conducted in an open ended nature. It means that certain set of questions which connecting to theories and business models were prepared. The reason why the authors chose this way for the interviews is that it makes it possible for the respondents to answer those questions in their own way with their own insights and experience. Besides, if there are any questions not clear enough, the authors can repeat and explain it for the interviewees. If there are questions which are answered not clear enough, it is possible for the authors to ask the interviewees again. Furthermore, during the interviews, the authors have not only taken notes, a recording
device was used as well which provided a more accurate rendition.

But unfortunately, due to time limits as well as their busy work, one of the interviews was not face-to-face; we sent email to her with our questions which are exactly the same as what we did face-to-face, then she answered us by email. All these questions she answered were just briefly, not as detailed as personal interview. Additionally, the interviews were conducted in English, so it’s possible that the English interviews were not convenient for the interviewees who are native Swedish speaker to answer questions thoroughly and specifically.

(Interview questions are presented in Appendix.)

2.4 Analyzing the Empirical Data

There are different methods to choose from when conducting the analysis of information. Data analysis consists of examining, categorizing, tabulating, testing, or recombining both quantitative and qualitative evidence to address the initial propositions of a study (Yin, 2003, p. 109).

What the authors have done in this research is to compare theory and practice. The theoretical propositions have shaped data collection plan and therefore would give priorities to other relevant analytic strategies (Yin, 2003, p. 112). What the theories suggest about managing customer relationship, building strong relationship bonds and delivering value-added services was compared to what the companies actually do.

All the information collected from these four interviews was transcripted and summarized by the authors. By knowing and understanding different perspectives of CRM strategies and comparing those to what the company has described about their strategy, the authors were able to analyze why some strategies are implemented.

2.5 Validity & Reliability

The validity deals with the gathered information actually showing what it seems to be showing, and the higher the validity, the better the research is (Saunders et al. 2007). And it is believed that interview seems to be a reliable method for doing research, because when conducting a face-to-face interview with company representatives, the interviewee is allowed to elaborate and explain certain issues that may be unclear and then gets response from the interviewer immediately. The questions selected in the interviews were all relevant to the investigation; the validity of this research paper is
Based on the interviews with the company, as well as these collected theories from various references.

Meanwhile, the reliability is with reference to the extent to which data collection technique or analysis procedures will yield consistent findings (Saunders et al. 2007). That is to say that if there are other people who are doing research in the same way as we did when investigating Resia, then they will get similar findings. But it is not always certain that other researchers would come up with the same results (Saunders et al. 2007). This can occur because researchers can differ in the way they record and interpret data (Reyes-Garcia, Godoy, Byron, Huanca & Leonard, 2005).

The books used in the research were collected from library in Mälardalan University. Those books are marketing books focus on marketing basics and marketing of service, which provided a theoretical background for this research and explained unclear questions for readers. Articles were from journals and online databases ELIN @Mälardalen which are related to CRM and tourism industry. All the sources have a high level of reliability since ELIN provides students with updated articles and journals. Customer relationship, service marketing, service quality and travel agency were the most frequently used words when the authors used ELIN as a search engine.

According to Yin (1993), interviews are helpful for obtaining insightful information, and make it possible to get access to the most relevant information at each department (Yin, 1993, p.80). The authors conducted four interviews with different employees who work at Resia, which helped to obtain a deeper and broader overview on how Resia views its customer relationship management within the organization. And then the analysis was done according to all the data collected from literatures and interviews. Hence, all the means of gaining empirical data are trustworthy.
Chapter 3. Theoretical framework

The aim of this chapter is to provide relevant theoretical framework used in this research which is beneficial to the analysis in the later chapter.

3.1 The Nature of Service

Any performance or action that one party can offer to another that is essentially intangible is defined as a service (Kotler & Keller, 2006, p.402). Services are deeds, processes, and performances which include “all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concern of its first purchaser” (Grönroos, 2006, p.4).

3.1.1 The Service Marketing Mix (The 7 P’s)

Marketing mix is one of the basic concepts in marketing which is defined as the...
elements an organization need to have in order to satisfy or communicate with customers. The four Ps (product, price, place and promotion) is used in the traditional marketing mix. These four elements are considered as main variables in any marketing plans. All of those variables, to some extent, are interrelated and depend on each other (Zeithaml et al., 2006, p.25).

According to Zeithaml (2006), service is usually produced and consumed simultaneously, so customers sometimes have to interact with the service firms directly which is considered as a process of the service production. Besides, in order to understand the nature of the service experience, customers always have to look for physical cues. The awareness of the importance of these additional variables has led service marketers to adopt the concept of an expanded marketing mix for services, including people, physical evidence and process (Zeithaml et al., 2006, pp.25, 26).

The expanded marketing mix for services is illustrated in the following Figure 2, which is known as 7Ps. All of the marketing mix elements may affect the consumer’s initial purchase decision, the customer’s satisfaction level and repurchase decisions (Zeithaml et al., 2006, p.27). On the other hand, devising marketing activities and programs to create, communicate, and deliver value for consumers are the main tasks for almost all the marketers (Kolter & Keller, 2006, p.19).

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**Figure 3: Expanded Marketing Mix for Services**
Product: It could be a physical product or an intangible service. Referring to tangible products, some characteristics are mentioned as shown in the figure, namely, the product variety, quality, design, features, branding, packaging, warranties etc.

Place: It is the place where products can be sold, and associated with channels of distribution in order to offer products to target customers. There are a lot of different channels, for example, retail, wholesale, mail order, internet etc.

Price: Price is the amount of money which customers pay for the product. There are different strategies to make pricing decisions, like cost-plus, penetration, so pricing includes not only list price, but also discounts, allowance, and so on.

Promotion: In order to sell products and to draw attention from customers, marketers use any different kinds of communication tools to do promotion, like advertising, public relations, special offers, free gifts etc (Inspired by Figure2).

People: All human actors who involve in the process of service delivery and their actions could influence buyer's perceptions. For example, the firm’s personnel, the consumers are people in the process of service. (Zeithaml et al., 2006, p.26)

Physical evidence: The environment where the service is delivered, where the firm and customer interact and contact with each other. Tangible components that facilitate performance or communication of the service could be considered as physical evidence as well (Zeithaml et al., 2006, p.26-27).

Process: It is the actual procedures and flows of activities by which the service is delivered, namely, the service delivery and operating systems. (Zeithaml et al., 2006, p.26-27)

3.1.2 Service Quality

In regard to Zeithaml (2006), research suggests that customers’ perception of quality is based on multiple factors relevant to the context. The dimensions of service quality have been identified through the researches. (Zeithaml et al., 2006, p.116). These five determinants (shown in Figure 3) characterize customers’ perception of the service. (Grönroos, 2007, p.84)
These dimensions, as drivers of service quality, explain how consumers organize information delivered to them in their minds.

**Reliability: Delivering on promises**
Reliability has been considered to be the most important to the perceptions of service quality of the five dimensions. It is defined as the ability to perform the promised service dependably and accurately. Customers always would like to do business with companies that keep their promises and core service attributes. (Zeithaml et al., 2006, p.116)

**Responsiveness: Being willing to help**
Responsiveness is the willingness to help customers and to provide good service. This dimension means that firms should be attentiveness and promptness in dealing with customer questions, complaints, and problems. Customers may evaluate responsiveness of a firm by the length of time they have to wait for assistance, answer questions, or attention to their problems. Responsiveness captures the notion of flexibility and ability of a firm to customize the service according to customer needs. (Zeithaml et al., 2006, p.117)

**Assurance: Inspiring trust and confidence**
Assurance is the ability of the firm and its employees’ knowledge and courtesy to inspire trust and confidence. This dimension plays a particularly important role in the services that customers perceive as high risk or for services which they feel uncertain about firms’ ability to evaluate outcomes. (Zeithaml et al., 2006, p.118)

**Empathy: Treating customers as individuals**
Empathy is the caring, individualized attention and customized service that the firm provides to its customers. The essence of empathy is providing personalized or customized service to make customers feel that they are unique, special and that their needs are understood. (Zeithaml et al., 2006, p.119)

*Tangibles: Representing the service physically*
Tangibles are the appearance of physical facilities, equipments, personnel, and communication materials. Tangibles provide physical images of the service that customers, particularly new customers, will use to evaluate quality (Zeithaml et al., 2006, p.117).

### 3.2 Customer Relationship Management (CRM)

#### 3.2.1 CRM Defined

According to Greenberg (2001), CRM is an enterprise-wide mindset, mantra, and set of process and policies that are designed to acquire, retain and service customer. CRM is not a technology, though technology is a CRM enabler (Greenberg, 2001, p.14). It is also a customer-focused business strategy which aims to increase customer satisfaction and customer loyalty by providing a more responsive and customized service to each customer (Fayerman, 2002).

Many companies intend to build stronger relationship with their customers---called customer relationship management. CRM is defined as the process of managing detailed information about individual customer and knowing all customers “touching points” in order to maximize customer loyalty. A *customer touch point is any occasion on which a customer encounters the brand and product---from actual experience to personal or mass communications to casual observation*. Companies then provide excellent real-time customer service by using and managing customers’ individual account information effectively (Kotler and Keller, 2006, p. 152). For example, companies can provide customize market offerings, services, programs, messages, and media based on what they know about each valued customer. CRM is important for a company because the aggregate value of the company’s customer base is a major driver of company profitability. (Kotler and Keller, 2006, p. 153)

#### 3.2.2 CRM Objectives

When an organization implementing CRM, there are various descriptions on the objectives for them, but the ultimate goal is to gain benefits. In this research, the authors will only discuss some selected ones which are important and relevant. According to Greenberg (2001), there are several objectives when organization implementing CRM:
1) Increase Revenue
2) Improve global forecast and pipeline management
3) Improve win probability
4) Reduce cost of sales
5) Increase sales representative productivity
6) Promote sales representative retention

According to Kim et al. (2003), it is more focusing on customer-oriented objectives. There are four categories:

1) Customer Knowledge, meaning that firms focus on gathering appropriate customer information, analyzing customer data, training employees, etc. in order to improve the quality of services they provide.
2) Customer Interaction, meaning that firms focus on the interactions with customers. For example, they provide quick and appropriate response to customer request, customizing products and services, etc.
3) Customer Value, for example, customer retention improvement, increase of customer profitability.
4) Customer Satisfaction, firms want to build long-term relationships with customers by improving the service quality.

3.2.3 Identify customers

Customers could be interested in either a relational or transactional contact with a firm. It may not always be a profitable for a firm to be relationship-oriented, because not all customers will be interested in forming relationship with service providers (Grööroos, 2007, p.37). So it is good for firms to identify their customers before forming relationships.

On the other hand, it is difficult for a firm to satisfy everyone in a market because different customers have different preferences. Therefore, firms should identify and profile distinct groups of buyers who might require varying product and services. The marketers then decide their target market and target customers by evaluating which segments present the biggest opportunity (Kotler and Keller, 2006, p.24).

3.2.4 Customer database and database Marketing

Marketers must know their customers. Companies must collect information of individual customers and store in a database and do database marketing in order to know the customers. A customer database is an organized collection of detail information about individual customers which is current, accessible, and actionable for marketing purposes such as providing good service, or maintaining long-term
customer relationships. Database marketing is the process of building, maintaining, and using customer databases and other databases (products, suppliers, resellers) to contact, transact, and build customer relationships (Kotler and Keller, 2006, p.162)

3.2.5 Customer satisfaction measurement

Measuring customer satisfaction is a good way to know if customers received the same service with their expectations and it is an important factor in building customer relationship. Customer satisfaction is often measured by finding out the difference between service quality and customer satisfaction and a comparison of experiences with prior expectations (Grönroos, 2007, p.89).

A number of methods exist to measure customer satisfaction. For example:

1) Periodic surveys. It is an easy way to track customer satisfaction directly. For customer satisfaction surveys, it is important that companies ask the right questions.

2) Customer loss rate can be monitored by companies. Companies contact customers who have stopped buying or who have switched to another supplier to learn why this happened.

3) In addition to tracking customer value expectations and satisfaction, companies need to monitor their competitors’ performance in these areas (Kotler and Keller, 2006, p.146).

For customer-centered companies, customer satisfaction is both a goal and a marketing tool (Kotler and Keller, 2006), even though it may end up spending a lot of money for its implementation (Chi & Gursoy, 2009).

3.2.6 Customer Retention

According to Gilbert (1996), he mentioned that nowadays companies should focus on the relationship marketing perspective rather than focusing on the traditional marketing which is defined as “the management process of identifying, anticipating and satisfying customer requirements profitably” (Gilbert, 1996, p.576). Grönroos (1991) assumes that marketing strategies have different characteristic which vary from transactional to relational marketing, and a relationship is usually long-term oriented.

A main goal for firms at the friendship stage of the relationship is customer retention (Zeithaml, 2006). In the following Figure 4, it states how long-term customer retention can be achieved:
Figure 5: The five stages of long-term customer retention (Gursoy and Swanger, 2007).

By knowing customer retention, companies can get a deeper understanding about how important it is to create a long-term customer relationship to gain profits. The longer the customers stay in a relationship with the firm, the more value they bring (Claycomb, 2002).

<table>
<thead>
<tr>
<th>Stage</th>
<th>Object/ strategy</th>
<th>Typical mechanism</th>
</tr>
</thead>
</table>
| (1) Identification | • Gather information about the individuals needs  
• Create customer profile | • Document different reactions to offers  
• Hand out questionnaires to customers |
| (2) Improve  | • Improve service that is not in customers expectation | • Check attitude towards service/ loyalty programs; contact customers; total quality management |
| (3) Inform | • Inform customers about airline and its loyalty scheme | • newsletters |
| (4) Tempt   | • Convince customers for new service or product | • Special offers; vouchers; extension of benefits |
| (5) Retain  | • Investigate in loyalty building programs in order to retain and reinforce the relationship with customers | • Members magazine; membership cards; enhanced payment schemes |
Chapter 4. Empirical Data

This chapter will present the data which were collected from interviews with Resia. The research questions and information in the theoretical part are the guidelines for the interview questions.

Information collected from interviews with Jenny Bjöklund and Helena Baggås in Västerås. They work in Resia as travel salespersons. As salespersons, they are mainly responsible for providing services to all customers, for example, consultant, reservation, reception, and so on. Both of the two respondents have worked in Resia for three years.

Two travel consultants named Marie Kaelsson and Marjo Nikula in Eskilstuna were collected as well. Both of the two respondents work as sales consultants with skilled experience in Resia, Eskilstuna. Marie Kaelsson is proficient at dealing with all kinds of business travel since she has been working in Resia since 1994. Marjo Nikula has been working in Resia for 11 years, and she serves for individual customers like personal travel trips. They are responsible for helping customers with problems, answering phone calls and giving advices.

The authors used Respondent A,B,C,D to represent Jenny Bjöklund, Helena Baggås, Marie Kaelsson and Marjo Nikula respectively for convinence.

4.1 The Service Marketing Mix

Knowing the importance of customer relationship, Resia has developed their own service marketing mix to provide high quality service so that Resia could attract more customers by not losing existing customers.

Product:
Respondent A said: “We manage private, business and group travels. However, Resia does not have its own products, which means that Resia does not produce any physical product of our own, and we only sell others’ products. For example, selling train tickets from SJ (Statens Järnvägars, Sweden’s railway), flights from Ryanair (the largest low cost airline in Europe) and so on.”

Respondent B explained that Resia is more like a medium agency which connects customers and other travel agencies. If you want to have a trip, Resia will provide you travel plans from other travel agencies like Fritidsresor and Detour. You then would have a variety of choices to choose from and organize your trip.
According to Respondent C, Resia provides with customers with any kinds of products which are related to travel. They have broad assortments, for example, boat, cruise, flight, train, hotel, car rental and so on. Respondent D said that Resia doesn’t have their own products; all these products are from others. What Resia does is to help their customers arrange everything.

**Place:**
According to Respondent A and B, Resia has 60 different stores, located in different cities all over Sweden, which means that almost every customer in Sweden can travel with Resia if they would like to. As long as you have any questions, you could just come to the local store in your city. Additionally, Resia offers and accepts purchase through phone. Customers can call the local Resia to make their reservations for travel.

Respondent C said that Resia covers almost all the cities in Sweden. According to Respondent D, Resia is a “local” travel agency, located in small and big cities almost over the whole Sweden.

**Price:**
Respondent A said: “the prices of travels are flexible, which depend on the seasons and destinations. Different travel packages have different prices. It means that the price totally depends on customers’ preference. Customers can choose either trip around 3 days in cheaper price or trip around 10 days with more expensive price. However, the aim for Resia is that everyone can afford to travel, so the travel packages are not at high prices. We want the price can be accepted by most of people.”

Respondent B said that the price totally depends on what the customer want. The prices are quite flexible. Because they have agreements with airlines, hotels and so on, they can offer lower price for the customers.

Neither Respondent C nor D thinks that Resia is running business with low price competition. They concern more about providing sound service for every customer. The prices in Resia are flexible; they are influenced by many variables like the season you decide to go on vacation and the destinations. But Resia does try to book all low cost airlines for customers.

**Promotion:**
Respondent A said that Resia always offer last minute tickets which are very cheap and worthy for customers. Besides, events are held in the shopping mall as a kind of advertising. Travels, services, the new events and new campaigns etc will be introduced so that people would have more access to know Resia and it helps to
attract more customers. Actually, customers can easily find Resia’s new promotions on the website.

Respondent B said that Resia has new promotions every week. The information and newsletter are sent out through emails to customers. Respondent B mentioned that Resia Account is considered as a kind of promotion strategy. Resia offers its customers a Resia Account which customers can register it online by themselves, or ask employees who work there to register it for them. Customers who have the Resia Account can borrow money for travels, and then pay it back in six months with interest free, which is really a good deal. But cautiously, if you don’t pay the loan back in six months, then interest is added later.

Respondent C said: “Frequent customers always have the higher priority than other normal customers. They always receive campaigns newsletters earlier than normal ones. And sometimes, they get special discount, and special offers.” According to Respondent D, providing good service to customers is important than any other kinds of promotion. It is better to talk more with customers, getting to know customers.

People:
Respondent A said that every employee who works in Resia has tourism education background or has experience in working in marketing areas. Some of the employees had special training, like IATA (International Air Transport Association). Employees in Resia have to take different courses and classes in marketing areas. Employees can contact with the manager directly if she wants to go further study.

According to Respondent B, it is essential that every Resia store has at least two employees who have the IATA education. And some of them have the TRAC (Telecommunications Research and Action Center) education for one or two years as well. And Resia has strict requirements on employees’ working experience. Employees working in different departments need to have specific working experience and skills, for example, an employee who works in the business travel department must have experience on business travel.

Respondent C said that well-trained education background for all the employees who work in Resia is essential. It is also possible for people to work in Resia if they have previous experience in working in the travel field. Respondent D added that employees are offered special courses which are related to tourism management by the company. Distance learning courses are offered to employees as well. As long as employees feel that they need more knowledge or further study, then they can contact with the headquarter, asking for further education.

Process:
Both Respondent A and B think the process of travelling with Resia is quite simple.
Customers tell the sales person what they want, where they want to go. Then they provide customers some advices. Customers can choose the trip package as they like. After the trip, welcome-home cards will be sent to the customers. If any customer has any complaints after the trip, they could come to Resia directly. The sales person will take care of and try to solve those problems, if the problems cannot be solved by sales persons, they will ask help from headquarter office in Gothenberg.

Respondent C stated that Resia takes care of customers the whole way, and customers are served all the way along the trips. Respondent D said that there is no particular process about how their service is delivered, it is more about how do customers feel.

**Physical Evidence:**

Regarding physical facilities, Respondent A said: “Resia does not have many advanced facilities. However, we are trying to offer a comfort environment for customers. We want our customers to feel comfort when they come in.”

Respondent B replied: “the price is the most important information which customers want to know. So we post recent last minute tickets and trips on the window of the store, which would attract customers to come in. Then when people come in, they will find different catalogs of travel information from different travel agencies. Besides, there is a table with drawing books on it in the corner of the store. Because considering that if customers come with their kids, kids could go drawing and would not feel so boring when they are waiting for their parents.” Respondent B believes that they offer a quite nice and comfort environment for customers.

In respect of physical evidence, Respondent C stated that Resia does not have so many other physical facilities to serve customers except these retail stores located in different cities. But they do provide internet and telephone service. If customers do not have time to come to the stores for help, they can either book their vacation online by themselves, or make a phone call, asking the staffs for help. What is interesting to know is that every Resia store provides a little space for children playing fun there with some toys and painting stuffs which makes customers feel that Resia is really considerate. However, Respondent D answered that Resia does not have any physical evidence.

### 4.2 Service quality

**Reliability:**

Respondent A thinks that their trying to take care of everything for customers can make customers feel that they are reliable. When people book a trip, the most important thing they concern is if the hotels, the views are exactly the same with what the travel agency introduced. Because people are easy to get disappointed and they always complain that what they experienced is not exactly the same with what the
advertisements introduced. However, Resia tries to avoid this kind of things happening.

Respondent B explained that avoid those kinds of mistakes by providing flexible trips. For example, if the customer does not like the hotels. Resia could change and arrange another hotel for him. If customers have complaints during the trip, the sales persons will contact the local travel agency and communicate with them. What the sales persons do is to try to make customers to feel that it is worthy travelling with Resia.

Because customers are only willing to do business with firms which keep their promises, it is important for companies to enable their promises. In order to make customers feel that Resia is the right choice, Respondent C said that regular contacts with customers are necessary. Respondent D emphasized that talking with customers, knowing what customers need are really important. And “Never lie to your customers” is the first rule. If you promised to call them today, then you should call them no matter how busy you are; or you should at least call them, telling them that you are busy today, but you will call them another time when you are more available. Don’t let customers wait for your call. What is more important is that employees are all trained with the knowledge of keeping promises no matter what happens. If emergency occurs, employees will contact with customers immediately.

**Responsiveness:**
Respondent A considers being responsiveness is a very important characteristic that the employees in Resia should have. Being responsible can make customers to feel reliable. Every employee in Resia is willing to help and solve problems for customers. She said that they try to fix problems as soon as possible. Every employee has to tell customers whatever problems they have; just come to the store and employees will do the best to solve those problems.

Respondent B said: “sometimes customers call us when they have problems; we are required to answer and solve those problems within 24 hours. No one wants the customers spend time in waiting because everyone knows that it would be an important factor for customers to determine if they would come back again.”

Respondent C said: “We have a call center which takes care of customers’ complaints. And we always try to solve all the problems for customers in order not to disappoint them. In fact, almost 99% problems are solved immediately. If we meet the problems which cannot be solved, we will contact with the headquarter for help.” However, Respondent D said that they do not have call center. According to what she said, the travel consultants are only responsible for selling trips to customers and getting feedback from them. It is the chief’s responsibility to deals with the customer about the complaints.
Assurance:
Both Respondent A and B said that all the employees in Resia have been well trained. They have to take different classes and courses in marketing or tourism management area. Additionally, sales persons have to have the knowledge about different destinations. They have to know the histories, places of great interests, climate and religions of different countries which are related to different trip packages. Take France as an example, every sales persons have to know the places of interests in France then they are able to introduce it to customers well. Resia wants to be trusted by their customers.

Regarding this point, both Respondent C and D stated that all employees who work in Resia have the ability to serve customers. Because they all had special education in related areas before they are employed. Respondent D emphasized that all the girls who work at business department never say that they cannot do it. They always work hard to find what the customer needs.

Empathy:
Respondent A thinks it is actually quite difficult to treat customers as individuals. Different customers have different preference. Sometimes it is just hard to arrange all the things according to what they require.

Respondent B said: “We treat every customer as individuals. We provide customized trip according to customers’ preference. Customers can choose the destinations, hotels, duration of the trip and flights as they like.”

According to what Respondent C and D said, Resia does a great job in treating customers as individuals. Because all the travels which Resia offer are flexible, they can be arranged according to customers’ preferences. Sometimes, even though Resia has already made the arrangement for the trips, customers are still able to cancel the trip if they changed their mind before the travel. The company will rearrange everything to customers as long as it is possible.

Tangibles:
Both Respondent A and B said that they only provide services through phone calls, internet. They do not have any other physical facilities in the store to serve customers. Because Resia does not have their own product, what they do is just try to make customers feel good about the services.

Respondent C said that tangibles are more about representing the service physically. Even though Resia has many different stores located in different places in Sweden, for Resia, its service is more than that. Resia provides customers full-line service during travels, like booking hotels, rental cars, booking flights to New York for an Opera show and so on. Respondent D stated that they offer Internet and telephone service
besides offering service in these retail stores, which makes it convenient for customer.

4.3 CRM defined

In Respondent A’s opinion, customer relationship management is very important for a company. She considers building good and strong customer relationships as one of Resia’s objectives.

Respondent B considered respecting customers is the most important for building customer relationship. Employees have to respect customers, do what they ask to do, make them have confidence in Resia, make them feel employees’ responsiveness.

Respondent C affirmed that customer relationship management matters significantly to them, because all they want is customer. And that is also the reason why Resia has the customer database. Respondent D replied that “Customer is the king”. In order to satisfy customers, and keep their loyalty, the company always tries its utmost to do everything what customers ask for which strengthens CRM at Resia.

4.4 CRM objectives

Respondent A said: “We aim at building good relationship with all of their customers. Making profits is definitely every company’s important objectives. Resia is one of those companies too. However, whether making profits to a large extent depends on whether they have good and strong relationship with customers and provide good services. Since service quality is directly related to their sales, and that is one of the determinants of making profits.”

Respondent B said: “Our goal is to have customers come back, which means that we are working on to keep existing customers. Comparing to get new customers, keeping old customers and improving customers’ loyalty is more important for Resia. This doesn’t mean new customers are not important for Resia.” From the view of Respondent B, it costs more to get new customers since new customers don’t know the company or their service quality, so they have to spend more marketing costs, like advertisements, to gain attention from new customers. Besides, it is always riskier to get new customers than keeping old ones. For old customers, Resia has already had connections with them and has known their preference and their purchase behavior. For new customers, Resia doesn’t have so much knowledge about their preferences, and it takes time and energy to build the new relationship with new customers. So for Resia, they would put their effort on both keeping old customers and getting new ones but with an emphasis on keeping customers.

According to Respondent C, building CRM at Resia is aiming to get customers back
after purchasing. She affirmed that attracting new customers is Resia’s goal as well, but keeping old customers matters more, because attracting new customers costs more. As long as relationship is built with customers, the customers’ retention will be improved so that total revenue will increase as well.

Respondent D replied that building relationship with customers is beneficial to increase customers’ profitability. After establishing the relationship, customers become more loyalty which makes it easy to have interactions with customers. Customers are more willing to interact with the company, helping Resia improve its service.

4.5 Identify customers

Respondent A said that they do not have any particular target group because they want everyone, from teenagers to seniors would like to travel with Resia.

Respondent B mentioned that their target group is woman who has a family and around 45 years old. Because this group is always busy with work, taking care of kids. They need more leisure time and need to relax more.

Everybody can be Resia’s customers according to what Respondent C and D said. Respondent D said that Resia is a “family” travel agency who takes care of all customers. Resia takes care of everybody who purchases from them, including juniors, family, and businessmen and so on.

4.6 Customer database and database Marketing

Respondent A said that they do use database marketing as a strategy to keep customers. As the development of technology and internet, customers know more information through internet. She said they will lose their customers and will be out of competition if they do not have any database marketing. Because they know that keeping existing customers is very important. For the existing customers, they made great efforts to keep them feel well-served. For example, they have database for all the customers, discounts or gifts like beach bags are offered to frequent customers. Birthday cards are sent to customers every year.

Besides, Respondent B emphasized that for those customers who have a Resia Account, Resia guarantees that they would never disclose customers’ information to any person without customers’ permission.

Respondent C affirms that they have a database where stores all information about their customers. The moment customers purchase from them, they store their information immediately in order to keep in touch with them. Respondent D said that
Resia does have its own customer database. According to their customer database, customer will receive newsletters twice a month. Sometimes VIP gifts are sent to them as well.

4.7 Customer satisfaction measurement

Both Respondent A and B said that Resia does not have their evaluation system. Some companies will send emails to customers to do the evaluation. But Resia does not have that. However, Resia does care about customers’ opinions. Sales persons just tell customers to come to the store whenever they have problems. They can come to the store if they are not satisfied with what they purchase or they have any kinds of complaints. Almost 99 percent of all the problems are solved. Both the two respondents believe that customers are satisfied with their services.

Neither Respondent C nor D affirmed that Resia has a customer satisfaction evaluation system. Resia doesn’t do that measurement. But Respondent C added that sometimes they make mystery calls to their customers in order to get feedbacks from customers. And sometimes customers just need to come to the store to tell employees about how they feel about Resia.

4.8 Customer retention

Respondent A considered that keeping old customers is absolutely their main objective. Resia wants to have more customers come back. Every month, sales persons in Resia pick up 100 best clients and send them gift, offer them discounts and some special activities like VIP nights.

Respondent B said that they have many frequent customers. In Resia’s database, there are basic information and preferences of those customers. Those customers trust Resia, emails are sent to them after the trip to ask if the trip and service is the same with what they expected. Besides, emails and news letter are sent to them if there are any new promotions and new trips.

In order to keep customers, Respondent C stated that they have lots of activities, telephone calls and so on. They do campaigns in shopping mall, showing people what they know, and what they can offer. Event shows are held sometimes in order to have a get together with customers and have a chance to communicate with them. Respondent D said that they always try to talk a lot with customers and tell them that they are welcomed to contact with Resia if they need any help or they need any advices about the trips.
Chapter 5. Analysis

The following chapter presents an analysis and interpretation of the data gathered from the interviews conducted with the representatives and the consultants from the travel agency.

In this part, the author analyzed all the information which they received from the interviews. All the questions the authors came up with were related to the theories which were used in this research. The authors attempted to understand the meaning of customer relationship to the company, and how the company uses different strategies to implement CRM in their business. All questions were open-ended which encouraged the respondent to freely interpret and answer the questions (Saunders et al., 2007).

5.1 Services

5.1.1 The Service Marketing Mix

Zeithaml (2006) explained the service marketing mix as an expanded mix for the traditional four Ps. It includes product, place, price, promotion, people, physical evidence, and process.

All respondents consider the service marketing mix as an important guideline in providing good service. Resia sells travel packages and tickets as its products. Those products are sold in the stores, through internet and phone calls. The prices of trip packages are quite flexible, which depend on customers’ satisfaction. Discounts and cheap last minute tickets were offered. There are new promotions almost every week. The process of delivering service is quite easy. The environment which Resia interact with customers is comfortable and considerate. The element “people” actually reinforces the value of image of Resia. “People” is defined by Zeithaml (2006) as all human actors who play a part in service delivery and thus influence the buyer’s perceptions Resia uses its employees very effectively to communicate with customers. Employees are required to have specific education background in related area. They are trained to respect customers, being willing to help and being responsible.

5.1.2 Service quality

As suggested by Grönroos (2007), there are five determinants characterize customers’ perception of the service. These dimensions are reliability, responsiveness, assurance, empathy and tangibles. Resia tries to take care of everything for customers to make them to feel a sense of reliability. Reliability is defined as the ability to perform the
promised service dependably and accurately (Grönroos, 2007). What Resia do is to avoid making trips which are not consistent with what the advertisements introduced. Every employee in Resia is willing to help and solve problems for customers. They try to solve problems within 24 hours, which is very responsible. To inspire trust, assurance and confidence, employees in Resia have been well trained and they have the knowledge about different countries then customers would be more convincible about their trip choices. Regarding empathy, different interviewees have different opinions. Since Grönroos (2007) defined “empathy” as “treating customers as individuals”. A respondent thought it is difficult for Resia to treat all customers as individuals since different customers have different requirements; it is quite hard to meet the needs of all of them. According to other interviewees, Resia does try to treat customers as individuals by providing customized trip, sending them gifts to make them feel they are unique and special for Resia. Tangibles seem to be a weak point for Resia. “Tangibles” provide physical representations or images of the service that customers will use to evaluate quality (Zeithaml, 2006). However, Resia does not have its own evaluation system. The reception desk and telephone are the only tangibles and channels that they can deliver their services and images.

5.2 Customers

5.2.1 CRM defined
All the definitions about CRM from the interviewees are quite similar. It is not exactly consistent with what Fayerman(2002) defined, which is a customer-focused business strategy which aims to increase customer satisfaction and loyalty by proving customized service. Reisa considers CRM as an important tool to build and develop good and strong relationships with customers. Their views of CRM aim at the same thing with the theory, which is to get more customers.

5.2.2 CRM objectives
Greenberg (2001) summarized several objectives when organizations implementing CRM, for example, increase revenue, reduce cost, promote sales and so on. Regarding those objectives, all the respondents considered making profits as the main objective. Besides that, improve customers’ satisfaction is another objective. This objective is consistent with one of the objectives suggested by Kim (2003). Kim thought customer knowledge, customer interaction, customer value and customer satisfaction are the four important customer-oriented objectives. Resia tries to make them focus on keeping existing customers and increasing customers’ satisfaction and loyalty.

5.2.3 Identify customers
Different respondents have different opinions about their target customer. They aimed to provide service to everyone from teenagers to seniors. However, one respondent
thought their target group is women around 45 years old with families. Grönroos (2007) implied that not all customers will be interested in forming relationship with service providers. It would be impossible to attract everyone to Resia. They considered women around 45 years old as a target group because women at that age are always busy with jobs, kids and family house works. They need and are willing to relax more.

5.2.4 Customer database and database Marketing

All Respondents considered database marketing as an important tool since nowadays customers can receive new information very quickly through internet. If Resia does not know their customers, they will lose those customers soon. Kotler and Keller (2006) see database marketing as a process of building, maintaining, and using customer database to contract, transact and build customer relationship. Resia has database for all the customers, discounts or gifts like beach bags, VIP nights are offered to frequent customers. Birthday cards, newsletters are sent to customers every year. Besides, Resia guarantees that they would never disclose customers’ information to any person without customers’ permission. What Resia actually do is to use customer database to contact with customers. Customers who have Resia Account can book tickets through website, moreover, as a club member, customers can borrow money for travel, and then pay it back in six months with interest free which is really a good deal. This is actually a way of Resia to transact and build relationship by using customer database.

5.2.5 Customer satisfaction measurement

All the respondents agreed that increasing customers’ satisfaction is an important goal for Resia. However, Resia does not have its own evaluate system to measure customers’ satisfaction. Grönroos (2007) suggested three methods to measure customer satisfaction. According to Grönroos, periodic surveys, monitoring customer loss rate and monitoring competitors’ performance in the same areas are good ways to measure customers’ satisfaction. Resia does not have any evaluation system which makes it difficult for them to know how many customers they are going to lose, what more they can do, what improvements they should do. Regarding to price strategy, one respondent said that she does not know prices of their competitors’ product. This may be one reason for losing customers since they do not monitor competitors’ performance and they would never know what more they can learn from to increase customers’ satisfaction.

5.2.6 Customer Retention

All respondents believe that increasing customers’ satisfaction is to build long term relationship with customers. Claycomb and Martin (2002) think that the longer the
customers would like stay in a relationship with a company, the more value they will bring. Obviously, Resia realize the importance of customer retention since the respondents said it is more important for Resia to keep existing customers than attracting new one. Gursoy and Swanger (2007) considered “identification, improve, inform, tempt and retain” as five important stages to keep long-term customer retention. Employees in Resia would like to talk with customers, know customers’ preferences according to customers’ database. They identify their customers’ needs by gathering information from customers. Resia has a service center, which could help to solve customers’ problems and complaints and know how they can improve their service quality. By posting new promotions on website, sending newsletter to customers, holding events for advertising, Resia informs their customers as long as they have any new information. Gursoy and Swanger (2007) explained that the strategy for “tempt” is to convince customers for new service or product, “retain” can be achieved by investigating in loyalty building programs. Every month, sales persons in Resia pick up some clients and send them gifts, offer them discounts and some special activities like VIP nights. Those offers would be attractive and convince customers to keep the relationship. However, for Resia, their strategies and special offers seem to concern more about retain customers but not tempt and convince customers for new service or product.
Chapter 6 Conclusion and Further Research

In this chapter, brief conclusion is drawn from the analysis.

Resia is one of the companies who consider making profits as one of the most important objectives. Knowing the importance of building strong relationship with customers, Resia regards improving customers’ satisfaction as another objective, trying to focus on keeping existing customers and increasing customers’ satisfaction and loyalty.

As all the collected data mentioned above, it is believed that Resia has a practical implementation of all the CRM models which are used in this research. Resia considers CRM as very important marketing tools to do their business. For example, the service marketing mix which includes product, price, place, promotion, people, physical evidence and process were implemented by Resia to manage the whole process of service delivery. Resia has taken the five dimensions of reliability, responsiveness, assurance, empathy and tangibles into consideration to measure good service quality. These five dimensions were achieved by making Resia being reliable, performing the promised service accurately, being willing to help and solve problems for customers. Employees in Resia have been well-trained in order to inspire trust and assurance. Customers are treated as individual with customized trip. In order to keep existing customers, Resia developed its customer database marketing by collecting the information of every customer.

However, Resia does not have its own evaluation system to measure customer satisfaction. This is because they do not produce their own product since they sell products like travel package from other travel agencies. The reception desk and telephone calls are the only tangibles and channels that Resia can deliver its services and images. This would be inefficiency in collecting information and feedbacks from customers.

Besides, monitoring competitors’ performance would be an efficient way for the company to improve its service. However, regarding to price strategy, the respondents said that they do not know prices of their competitors which means that Resia seems to be not interested in competitors’ price strategy. This may have side effect on Resia’s business, since they do not know what improvements they need to do and what they should learn from competitors.
Further research:

This research had a limited area, namely, it focused on a travel agency. To further develop the results, analysis and conclusions in this research, it is important to continue to study different areas of the topic. There are some possible future research areas.

For this research, the authors only have conducted interviews with salespeople and sales consultants due to the time limited. It would be interesting for future researchers to conduct interviews with the managers in Resia if possible, because managers may have deeper insight into companies’ strategies, giving more information on Resia. This would make the research to be more reliable and comprehensive.

Considering that it is important to know customers’ perception about service quality, it would be interesting to conduct surveys with customers to know how they perceive Resia’s service quality.

Since this research only focused on one travel agency, the future researcher could study on two or more travel agencies as research subjects, so that they can compare while analyzing companies’ strategies, which makes the study more interesting.
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**Interviews:**

A face to face interview (2010-05-05) with a travel salesperson, Jenny Björklund from Resia, Västerås.

A face to face interview (2010-05-18) with a travel salesperson, Helena Baggås from Resia, Västerås.

A face to face interview (2010-05-07) with a travel consultant, Marie Kaelsson from Resia, Eskilstuna.

Interview (2010-05-10) with a travel Consultant, Marjo.Nikula, Eskilstuna, from Resia, via e-mail.
Appendix:

Appendix A: Questions for face-to-face interviews

The Service Marketing Mix:

1. First of all, we’d like you to introduce us a little bit about yourself, like what is your responsibility in Resia, and how long have you been working in Resia? This is good for the “Choice of respondents” part. (Service marketing mix: People)

2. As we known, Resia is Scandinavia’s largest privately owned travel agency, one of the favorite travel agency for Swedish. So what do you think about Resia? What does Resia sell? (Service marketing mix: Place, Product)

3. Till 26th, March, 2010, Resia ranked as Sweden’s best business travel agency for the third time in four years. And Resia business travel sales increased by over 30% in March. We can see that March is a harvest month for Resia. For making such progress, what do you think the advantages of Resia compared to other competitors? What is Resia’s price strategy? (Service marketing mix: Price)

4. What kind of promotions do Resia usually have in order to attract customers? (Service marketing mix: Promotion)

5. As a customer, if I want to travel with Resia, what are the procedures to do, and what kind of services do you provide your customers afterwards? (Service marketing mix: Process)

6. Does Resia have any specific physical facilities to deliver service to customers? (Service marketing mix: physical evidence)

Customer Relationship Management:

7. How do you define customer relationship management? (CRM defined)

8. What do you think is the most important objectives for Resia? (CRM objectives)

9. As a travel agency, you are dealing with customers every day, like we say “customer is the king”, so managing customer relationships become very important for companies. Who are Resia’s target customers? (Identify customers)

10. Does Resia have customer database, storing all information of important customers? And how often do you contact them? (Customer database)
11. What does Resia do in order to keep customers, and keep customers’ loyalty? (Customer retention)

12. Because not all customers are interested in relationships, maybe they only prefer transactional contacts with the firm. What efforts do you do to create relationship with customers? (Customer relationship)

13. Do you have an evaluation system from where you get feedback from customers? If so, how does Resia measure customer satisfaction? (Customer satisfaction measurement)

The service quality:

14. What do you do to make customers feel that Resia is reliable? (Reliability)

15. Does every employee in Resia have the willingness and ability to help customers fix problems, or Resia has particular call center where deals with problems and complaints? (Responsiveness)

16. Firms cannot exist without employees, in other words, employees play an important role in firms’ operation. How does Resia train and motivate employees? Do all employees are well-trained with special travel education? (Assurance)

17. Different people have different kind of requirements when they decide to go on vacation. Do you offer your customers with customized services/trip according to customers’ preferences? (Empathy)

18. Does Resia have other physical facilities to serve customers except these retail stores located in different cities? (Tangibles)

These are all our interview questions, thanks again for your time and patience. Have a nice day ☮️!!!
Appendix B: Interview request sent by email to the company

Hello, ____!

We are two students in Mälardalen University who are conducting bachelor thesis right now. And we choose Resia as our case study object.

We have already conducted an interview with your colleague. We were also trying to conduct the face-to-face interview with you, but you were too busy at that time.

In order to finish our paper, we are keen to conduct interviews with employees who work at Resia to gather detailed information from the company’s perspective.

Since you were too busy for the face-to-face interview, maybe you could give us some time to have a look at our interview questions and then answer these questions for us by email.

It would be better if you could answer them before this weekend due to the time limit of our paper.

Thank you very much!
Hope to hear from you soon.
Best Wishes =)

Yanfei Yan & Jie Yang