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Social customer relationship management: An integrated conceptual framework

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ABSTRACT

In recent years, the concept of customer relationship management (CRM) has undergone a major change from being a strategy that focused solely on establishing financial bonds with customers to one that promotes both transactional and interactional relationships with customers. This has given rise to a new form of CRM which is known as social customer relationship management (SCRM) or CRM 2.0. Hence, this study develops and proposes a conceptual model to address relationships between customer relationship management, social media technologies, customer engagement, positive word of mouth and brand loyalty. This paper brings significant contributions to hospitality CRM literature and marketing communication theory. It serves as a reference for hospitality practitioners who can derive insights on the potential economic advantage such as brand loyalty and consumer behaviour benefits in the form of positive word of mouth which can result from the effective implementation of a SCRM strategy.

KEYWORDS

Brand loyalty; customer engagement; hospitality; positive word-of-mouth; social customer relationship management; social media

摘要

近年来，客户关系管理（CRM）的概念经历了一个重大的变化，从一个专注于建立与客户的金融债券的战略，以促进与客户的交易和互动关系。这就产生了一种新的客户关系管理模式，称为社会客户关系管理（CRM）或CRM 2.0。因此，本研究发展并提出一个概念模型来处理客户关系管理、社会媒体技术、客户参与、正面口碑与品牌忠诚之间的关系。本文对酒店CRM文献和营销传播理论做出了重要的贡献。它为酒店从业人员提供了一个参考，他们可以从积极的口碑形式获得潜在的经济优势，如品牌忠诚和消费者行为利益，这可能是由于有效实施SCRM战略的结果。

Introduction

Customer relationship management is a strategic business approach which is underpinned by relationship marketing theory. It is defined as a “process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer” (Parvatiyar & Sheth, 2001, p.6). In the year 2008, CRM underwent a major shift from a strategy that focused solely on customer transaction to one that integrates customer interactions (Shokohyar, Tavalae, & Karamatnia, 2017). Marketers are currently able to extract first-hand information about customers which are then used by companies

in order to achieve greater effectiveness in delivering customer value (Parvatiyar & Sheth, 2001; Vivek, Beatty, & Morgan, 2012). Consequently, CRM was renamed to social customer relationship management or CRM 2.0 (Shokohyar et al., 2017).

Paul Greenberg defined social customer relationship management (SCRM) as a “business strategy of engaging customers through social media with the goal of building trust and brand loyalty” (Woodcock, Green, & Starkey, 2011, p.50). The introduction of social media has been very disruptive to the customer–marketer relationship; this has raised some speculations on the application of traditional CRM models and theoretical concepts (Harrigan, Soutar, Choudhury, & Lowe, 2015). As pointed out by Vivek et al. (2012) and Berthon, Pitt, Plangger, and Shapiro (2012), the traditional approach of doing business entailed the firm producing value for customers. However, one of the major effects garnered by social media is the involvement of customers in the process of value co-creation either through reviews or in the form of user-generated content. This paper explores ways in which customers can contribute to firms’ bottom line through alternative mechanisms such as electronic word of mouth, co-creation, customization, and not only through purchases.

Expanding the customer base has become an even bigger challenge in the face of rising customer acquisition cost, increasingly price-sensitive customers, and higher customer expectations as they seek more value in their purchases (Harrigan et al., 2015). Customers are becoming more and more sophisticated as they are exposed to Facebook, TripAdvisor, integrating multiple channels in the purchase-making journey. Uncertain markets and dwindling brand loyalty are critical factors which are leading service-based firms to adopt CRM as a business strategy (Mylonakis, 2009; Rahimi 2015; Saarijavi et al. 2013; Wu & Li, 2011).

When it comes to the tourism and hospitality sectors, scholars have stressed the need to study CRM dimensions as Web 2.0 technology has become a major driving force of day-to-day business operations (Akroush, Dahiyat, Gharaibeh, & Abu-Lail; Sadek, Youssef, Ghoneim, & Tantawy, 2012; Sin, Tse, & Yim, 2005; Rahimi, 2015). With a rise in the number of social media tools available in the marketplace and its impacts on business key performance indicators (KPIs) such as customer experience and brand loyalty, SCRM is currently a trending topic in the hospitality industry globally (Harrigan, Evers, Miles, & Daly, 2017). The use of online review sites such as Holiday Check and Trip Advisor and social networking sites has become all-pervasive and hotels are investing huge amount of money in social interactions (Garido-Moreno, Garcia-Morales, Lockett and King, 2018). However, customer engagement has gained very little attention in the hospitality sector and additional research is needed on the antecedents of customer engagement to guide practitioners (Romero, 2017).

The aim of this research is therefore to propose a conceptual framework for the effective implementation of an SCRM strategy to achieve brand loyalty. We focus on the synergistic impact created when CRM effectiveness dimensions (such as customer orientation, firm competence, knowledge management, and technology-based CRM) are integrated with social media technologies to generate customer engagement which leads to positive word-of-mouth and brand loyalty. A high level of customer retention and the generation of an important pool of brand advocates can significantly decrease marketing related costs and thus boost revenue. However, apart from economic benefits, this paper further discusses how hospitality firms can reap customer behavior benefit in the form of positive word-of-mouth, and an increased employee retention rate which can be considered as a significant human resource benefit (Zeithaml, Bitner, & Gremler; 2018).

This study adds to current knowledge about social CRM strategy in the hospitality industry in three ways. Firstly, we contribute to relationship marketing theory by exploring the antecedents and the outcomes of customer brand engagement on social media platforms. Secondly, we recognize customer engagement as a critical success factor for both customer and firm benefits in the form of positive word of mouth and brand loyalty. While several studies in the hospitality industry solely focus on either word of mouth or brand loyalty (Wali, Wright, & Uduma, 2015; Yen & Tang, 2015), this paper adds value to extant literature by generating insights on both factors which also act as key metrics for measuring customer lifetime value. Finally, we propose a conceptual framework that can help hotel managers to make informed decisions when it comes to adopting an effective social CRM strategy.

Literature review

Relationship marketing hinges on the development of lasting customer-brand bonds which allows the firm to create a sustainable competitive advantage (Bowden, 2009). Moreover, one of the prime objectives of relationship marketing is to leverage on weak customer bonds and limited customer brand loyalty so as to increase customer retention. In accordance with the previous study, Strauss and Frost (2014) observe that social media platforms allow firms to create social and structural bonds with customers through the process of value co-creation which in turn promotes customer retention. This study focuses on how the integration of social media with customer relationship management strategy can help service-based firms such as hotels to increase engagement and consequently, brand loyalty. Factors that act as the enablers of customer engagement and the related outcomes such as customer brand loyalty and positive word-of-mouth are discussed.

CRM dimensions and hotel performance

Padmavathy et al. (2012, p.247) define CRM as a 'set of customer-oriented activities supported by organizational strategy and technology, designed to improve customer interaction in order to build customer loyalty and increase profits over time'. There is scant research investigating the relationship between CRM dimensions and hotel performance. (Mohammed and Rashid 2012; Harrigan et al., 2015) argue that relationships thrive on the resource-based view concept which alludes that the financial success of a firm hinges on its ability to manage its internal resources and capabilities better than its competitors. In an attempt to explain the theoretical linkages that exist between CRM dimensions and hotel performances, Mohammed and Rashid (2012) came up with 4 CRM behavioral dimensions: customer orientation, firm competence, knowledge management, and the use of technology.

(i) Customer orientation

Even if customer orientation, better customer segmentation and selective targeting are essential to meet business objectives, customer orientation remains a major challenge for service-based firms. The hotel industry like any other service-based firm has an intrinsic

characteristic which is inseparability of service providers from consumers (Grönroos, 2004). Employees have an important role to play in establishing a lasting relationship with customers who are an integral part of the service production process. This is why a customer-oriented strategy is considered to have a positive influence on marketing planning and effective implementation of marketing actions and innovations. Previous research conducted in this continuum indicates that a thorough understanding of customers and the ability of organisations to learn from the market, can generate higher value in the form of superior financial performance. Therefore, CRM needs to be studied from both internal and external customers in order to understand whether hotels have successfully implemented a consumer-oriented management strategy (Conduit, Matanda, & Mavondo, 2014).

(ii) Firm competence

The second dimension discussed by Mohammed and Rashid (2012) is firm competence which is the very foundation for a successful CRM project. Everything starts with a working environment that supports customer-oriented behaviors. Mechinda and Patterson (2011) claim that a transformational leader and a properly designed reward system are equally essential in developing customer-focused attitudes and behaviors. Viewed from another angle, it can be argued that the most top-notch CRM technologies cannot accomplish anything if there is a lack of employee commitment to the organizational objectives and vision (Ku, 2010). Employees interact directly with customers and the level of service delivered often reflects on social media ratings, generation of positive word-of-mouth as well as brand loyalty. This depicts the important role that a leader plays in driving the company's financial performance through employee engagement.

(iii) Technology

CRM strategy success also hinges on the integration of latest technology with a service orientation culture and the ability of employees to deliver on operational procedures (Saarijarvi et al., 2013). This brings us to the third dimension discussed by (Mohammed and Rashid 2012), technology-based CRM. Inevitably, new technologies will act as key drivers for change in the hotel industry. The use of technology is primordial in managing customer relations as it is vital to obtain the right information about the right people, at the right time (Huang & Castronovo, 2012). For instance, if a customer is allergic to nuts and the first person to know this is someone who took an order from room service, this information can be easily disseminated to various customer touchpoints at the hotel through an effective CRM system (Moriarty-Jones et al., 2008). Numerous customer-centric strategies may fail without the use of relevant information technology (Payne & Frow, 2005; Vivek et al., 2012). New technologies such as social media can be used to generate knowledge and contribute to the process of value co-creation (Ramkissoon & Uysal, 2014; 2018; Saarijarvi et al., 2013). The new media supported by Web 2.0 technology will take CRM to a whole new dimension where the focus will be on customer deepening (Saarijarvi et al., 2013).

(iv) Knowledge management

It would be deficient to discuss CRM without discussing knowledge management. The very foundation of CRM is knowledge (Newell, 2003), the value of firms lies in the creation of superior customer experience by converting data from CRM systems into actual knowledge (Payne & Frow, 2011, Rahimi, Nadda, & Wang, 2015). Only a small number of hotels are transforming customer information to customer knowledge in India for instance, this has resulted in missed opportunities for hotels to provide value to their customers in the form of co-creation (Ramkissoon & Uysal, 2018) of services or new product development (Banga, Kumar, & Goyal, 2013).

At a time where hotel industries are confronted with increased globalization (Sowamber, Ramkissoon, & Mavondo, 2018), rising customer acquisition costs, higher customer attrition rate due to the availability of new options and changing customer expectations (Ramkissoon, 2018), hotel competitiveness is reliant on customer relationship performance (Banga et al., 2013; Parvatiyar & Sheth, 2001; Tillmanns, Ter Hofstede, Krafft, & Goetz, 2017). It can be argued that the basic products (rooms) in the lodging industry are very similar especially when comparing the same hotel categories and it is rather one-to-one marketing that will allow the hotel to compete effectively. When customer relationship management strategies are applied in the right way, it can decrease the pressure that continuously loom over companies to recruit new customers (Rahimi et al., 2015). Clearly, hotel companies that are good at converting customer data into knowledge which is then used to build a personalized relationship with customers (Ramkissoon, 2014), are likely to create loyalty and reap higher profits in the long run.

Social media technologies

Social media (SM) has been defined as ‘a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user-generated content’ (Kaplan & Haenlein, 2012, p. 61). Social media does not replace traditional CRM systems, but it does create engagement opportunities for small, medium and large firms alike through relational information exchange processes that take place between hotels and customers or through peer to peer communication (Diffley & McCole, 2015; Harrigan et al., 2017).

Existing studies have mostly focused on the benefits and challenges associated with the implementation of social media but the role of employees and firm’s characteristics have often been overlooked (Schultz & Peltier, 2013; Trainor, Andzulis, Rapp, & Agnihotri, 2014). Charoensukmongkol and Sasatanun (2017) explored how the integration of social media platforms with customer relationship management can be used for enhanced business performance in microenterprises in Thailand and they argue that the lack of face-to-face interaction can be easily bridged via communication on social media channels (Chanchaichujit, Holmes, Dinkinson, & Ramkissoon, 2018). This is highly relevant for the hotel industry as often the transaction takes place between firms and customers who are separated by geographic locations and time zones.

The growth in social media platforms which is a huge contribution to the fast-evolving technology (Web 2.0), is creating a very unique user experience. When going through the consumer decision-making process (Ramkissoon, 2018), it has become a norm for

customers to interact with other customers or brands on social media. Nonetheless, it can be argued that the overall user experience is a combination of both social interactions and technical features (Di Gangi & Wasko, 2016; Shokohyar et al., 2017; Strauss & Frost, 2014). In their study exploring factors of user engagement and social media, Di Gangi and Wasko (2016) argue that transparency does not come across as a significant factor nor does access to social resources such as friends or relatives. Moreover, in terms of technical features, evolvability is perceived more as important compared to flexibility. These findings demonstrate that social customers are risk-takers who are constantly seeking for novel experiences. Hence, the possibility for marketers to interact with potential and existing customers on social media channels such as Facebook and Instagram, can generate a lot of opportunities for customer attraction and retention in the customer relationship management process (Anton, 1996). Inevitably, new technologies in the form of social media channels will act as key drivers for change in the hotel industry when integrated with CRM processes. Previous research conducted by Chan, Fong, Law, and Fong (2018) further underscored that the relationship between social media and CRM processes is an under-researched topic in the hospitality industry. From the above discussion stems the first proposition.

Proposition 1: Use of social media technologies has a positive effect on CRM processes in the hotel industry.

CRM and customer engagement

The term engagement is often used interchangeably depending on the field or context where it is applied. According to Hollebeek (2011), the term engagement originates from psychology literature. Lehmann, Lalmas, Yom-Tov and Dupret (2012) relate engagement to a psychological and behavioral state. Several scholars in the marketing field do concede that engagement is composed of a cognitive, affective, and behavioral dimension (Babin & Harris, 2015; Hollebeek, 2011; Venkatesan, 2017). Ray et al. 2014 (p.531) explain engagement as a “holistic psychological state in which one is cognitively and emotionally energised to socially behave in ways that exemplify the positive manners in which group members prefer to think of themselves”.

A number of studies explore definitions and develop theoretical frameworks that identify the drivers and consequences of customer engagement (Harmeling, Moffett, Arnold, & Carlson, 2017; Homburg, Jozić, & Kuehnl, 2017; Pansari & Kumar, 2017; Venkatessan, 2017). Social media and mobile devices have transformed the relationship that exists between firms and customers pushing businesses to come up with customer relationship management strategies that would go beyond pecuniary transactions (Hollebeek et al., 2013; Huang & Castronovo, 2012). Moreover, a recent study conducted by Gallup denotes that highly engaged clients contribute 23% more in terms of profitability, income, share of wallet, and relationship growth as compared to an average customer in the hospitality industry (Venkatesan, 2017). While 74% of executives said that they will review their spending on customer engagement in the coming years, a deeper understanding of customer engagement strategy implementation is needed (Convero survey, 2016).

Investigating customer engagement remains a challenge in the hospitality industry as it necessitates the involvement of employees as well as changes in traditional marketing practices which currently has a sales focus. Customer relationship progresses through several stages which can be categorized as acquisition, growth, retention, and win-back (Reinartz & Venkatesan, 2008). With social media, hoteliers have the opportunity to map the customer digital journey and monitor the evolution of customer experience with the brand over time (Homburg et al., 2017). There are different types of customers who will interact with the brand in repeated journeys with the hotel business. The interactions that take place between the hotel and the customer during the purchase journey that is pre-purchase, during and post-purchase (Gursoy & McCleary, 2004; Ramkissoon & Nunkoo, 2008, 2012), do generate useful information at various touchpoints within the organization (Brohman, Watson, Piccoli, & Parasurama, 2003; Strauss & Frost, 2014; Venkatesan 2017).

The accumulation of such experiences may lead to an evolution in the rapport that the firm shares with its customers and hotels will need to review their resources and strategies to stay abreast with evolving consumer behaviour (Ramkissoon & Mavondo, 2015). Many CRM strategies have failed in the past because following check out, customer data would be stored in a database and was mainly used for sending out promotional messages (Payne & Frow, 2005). Given the current hype about social media channels, the central focus of this research will be on investigating customer engagement through social media enabled CRM activities, in the hotel industry. Based on the above, proposition 2 is suggested.

Proposition 2: Customer engagement will rise with an increase in the use of social media enabled CRM activities

Customer engagement through social media usage

From a strategic perspective, practitioners define engagement as user experiences that “allow businesses to build deeper, more meaningful and sustainable interactions between the company and its customers or external stakeholders” (Sashi, 2012, p.255). When a customer connects with a brand, the amount of time dedicated to engagement is likely to increase across different online channels either in the form of content creation or through comments on other users’ posts. Customer engagement can be easily monitored by looking at the frequency of purchases over time, contribution to product development through idea generation, the number of stories created or shared by the customer or the satisfaction rating given by customers online, this can in turn equip managers with interesting insights on brand performance (Kumar et al., 2010).

Social media enabled customer engagement, is a poorly researched topic in the tourism industry as most papers focus on the use of social media to achieve short-term sales objectives and not attitudinal brand loyalty (Harrigan et al., 2017; Ong, Lee, & Ramayah, 2018). Social media are reengineering business processes by facilitating two-way communication between customers and service providers. This change in the traditional way of doing business will create both opportunities and challenges in the tourism industry. Further research is needed to prepare industry practitioners to tackle this situation effectively. The ability of hospitality industry leaders to wield the interactive features of social media in relationship marketing, can allow them to forge relationships with existing and potential customers or industry opinion leaders or top influencers alike. The pooling

of knowledge and sharing of resources is a fundamental pre-requisite for long-term sustainability of organizations (Hristov & Ramkissoon, 2016). Online interactions can generate tremendous knowledge which can result in a growth in customer value (Wu et al., 2012). Unfortunately, very few hotel companies have understood the benefits of CRM as an enabler of customer engagement when integrated with social media platforms (Ho & Lee, 2015). Proposition 3 is suggested.

Proposition 3: The level of customer engagement will increase with an increase in social media activities.

Customer engagement and word of mouth (WOM)

Usually, when a person has decided to travel to a new destination, the next thing that comes to his mind is accommodation (Sparks & Browning, 2011). When answering the question ‘where to stay’, the person may turn to a friend, family member, tour operator, travel agency or the internet by visiting Trip Advisor and/or other travel sites and this underscores the importance of word of mouth during the purchase process. Word of mouth is defined as “informal, person to person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organisation or a service” (cited in Cantallops & Salvi, 2014, p.41). Word of mouth (WOM) is considered as an important factor of the consumer decision-making process (Ramkissoon, 2018b) as it decreases the level of uncertainty in the purchase. On the other hand, electronic word of mouth (eWOM) is often referred to as “online reviews, online recommendations or online opinions, it has gained much attention with the emergence of new technology tools” (Cantallops & Salvi, 2014, p.45).

Word of mouth is a highly researched topic in the hospitality industry due to its ability to decrease perceived risk associated with the purchase of intangible and high involvement offerings (Yen & Tang, 2015). As we experience a rise in consumer opinion sites such as Trip Advisor, WOM took the shape of eWOM as one-to-many communication takes place at a phenomenal speed in the virtual environment. While traditional WOM was reliant on face to face communication, initially eWOM had lost its credibility as it had lost its personal touch online. People were reluctant to trust content that was posted by anonymous individuals (De Matos & Rossi, 2008). However, this problem was curbed with the emergence of social networking sites which urge users to create a profile prior to interacting with other peers and the face to face nature of communication was restored. EWOM can take the form of consumer online reviews whereby customers share their opinions about products and services based on their personal experience. The second type of eWOM is viral advertising which involves online videos that go viral due to its content and through peer-to-peer sharing (Belch & Belch, 2014).

Trust and perceived risks as antecedents to EWOM

Numerous consumers who are seeking to purchase hospitality services seek information on social media platforms or online forums as part of their research prior to booking a product. Social media acts as an important source of information for travelers in the purchase decision process, customers perceive reduced risk in their online purchase when

feedback is obtained from an independent third party rather than from a marketing expert from the firm (Xiang & Gretzel, 2010). As suggested by Riegelsberger, Sasse, and McCarthy (2005), one element of online trust originates from firm's reputation and eWOM has a propensity to build reputation and trust (Mistilis, Buhalis, & Gretzel, 2014; Sparks & Browning, 2011).

Therefore, it is a key challenge for managers dealing with service-type products such as hotels to reconcile the online positive and negative comments about the tangibles and intangibles and understand how it is affecting business performance, in particular, the booking intention of potential customers. Future travelers often rely on the purchase experience of past travelers (Ramkissoon & Uysal, 2011). This emphasizes the importance to study how comments on blogs and reviews left on social media platforms by travelers influence the purchase decision of future customers. Tourism destination image is formed based on reviewers' comments and opinions, since it is an intangible product that cannot be experienced prior to purchase (Afifi, Mavondo, Ramkissoon, Aleti, 2017; Jiang, Ramkissoon, & Mavondo, 2016; Jiang, Ramkissoon, Mavondo, & Feng, 2017). This is further argued by (Vivek et al. 2012) and (Matos and Rossi 2008) who suggest that customers who share a psychological bond with a brand are highly committed and are the best brand advocates. Hence, there is a need to investigate whether customers who are engaged with hotel brands on social media platforms are more likely to recommend its services in the form of positive word of mouth.

Proposition 4: Customer engagement on social media platforms is positively associated with word of mouth.

Brand loyalty

Babin and Harris (2015) posit that a one-off transactional relationship with customers like it used to be 10 to 20 years back, has become irrelevant today. While certain customers (for, e.g., millennials) are very experimental with brands, others have a strong desire to forge a lasting relationship with organizations rather than a one-time purchase. This indicates that there is a pressing need for hotel marketing managers to strive for quality relationships with this class of customers (Ong et al., 2018). It is worth noting that a relationship quality is said to be high when each time a need for a product arises, the consumer automatically associates with the same brand. Moreover, a strong relationship quality implies that a company has a better chance to expand its product portfolio since these customers portray high brand loyalty and are thus more receptive to brand extensions. Unlike a customer who may switch brand in the purchase decision-making process, a loyal customer who derived high value from the previous service and perceives relationship quality as high is less likely to switch brands (Babin & Harris, 2015). Thus, a good relationship quality index will lead to brand commitment which is necessary to achieve brand loyalty.

From another angle, customer engagement in the tourism sector has shown that a high level of social interactions via web-based applications such as Facebook and Twitter can positively influence trust, brand evaluations and loyalty (So, King, & Sparks, 2014). While social media usage has become a norm in some tourism organizations such as Expedia, Lonely Planet and Travelocity, other social media platforms such as Trip Advisor, Booking.com and Airbnb may act as major influencers in the decision-making process

of travelers (Leung, Bai, & Stahura, 2015). For a long time, companies have worked in isolation and customers were either at the receiving end of the product development process or passive recipients of marketing communication messages. However, the advent of social media has led to the creation of a new customer segment who are commonly referred to as “social customers” or “hybrids” as they tend to integrate both online and offline channels when conducting purchases (Greenberg, 2010, p.5). Social media platforms facilitate social interactions which result in tremendous amount of data for hotels. Hence, SCRM can yield tremendous opportunities for hotel companies by actively engaging with customers, involving them in the process of value co-creation. Online interactions with customers result in user-generated content even before the customer comes to the hotel (Bygstad & Presthus, 2012). Thus, the exchange of information between hotel companies and customers may lead to co-creation of value which can result in brand loyalty.

Proposition 5: There is a positive relationship between customer engagement on social media platforms and brand loyalty in the hotel industry.

Conceptual model

As stated by Struss (2004), conceptual models are vital for the integration and illustration of existing literature and synthesized knowledge. Conceptual modeling necessitates capturing of generic knowledge from different fields and can thus provide support in different complex situations (Farsari, 2012). The purpose of the proposed conceptual model (Figure 1) here is to blend knowledge from a wide range of sources and support an informed decision-making when it comes to the implementation of SCRM in the hotel industry. The authors have reviewed a number of generic constructs and sub-components prior to finalizing the key components of this model. The development of the conceptual model entailed the systematic grouping of ideas stemming from various topics into common themes and the evolution of certain key theoretical concepts with time, change in knowledge and new findings were also addressed in the literature review. Hence, the conceptual model may enable practitioners to place their decisions in a holistic framework, to identify pressing issues needing attention, and to explore the effect of SCRM capabilities on customer engagement and relationship performance outcomes such as positive word of mouth and brand loyalty.

This study proposes a conceptual model (Figure 1) to address relationships between customer relationship management, social media technologies, customer engagement, positive word of mouth, and brand loyalty. The proposed conceptual model consists of CRM dimensions and social media technologies as two constructs which are acting as enablers of customer engagement. Moreover, it depicts positive word of mouth and brand loyalty, as outcomes of engagement over social media platforms.

Social media platforms allow firms to connect and communicate with both existing and potential customers. Following a review of the literature, it can be argued that the integration of social media with customer relationship management can promote customer engagement which is essential to increase brand loyalty either through repeat purchase or in the form of positive word of mouth. Customer engagement leads to the process of co-creation of value

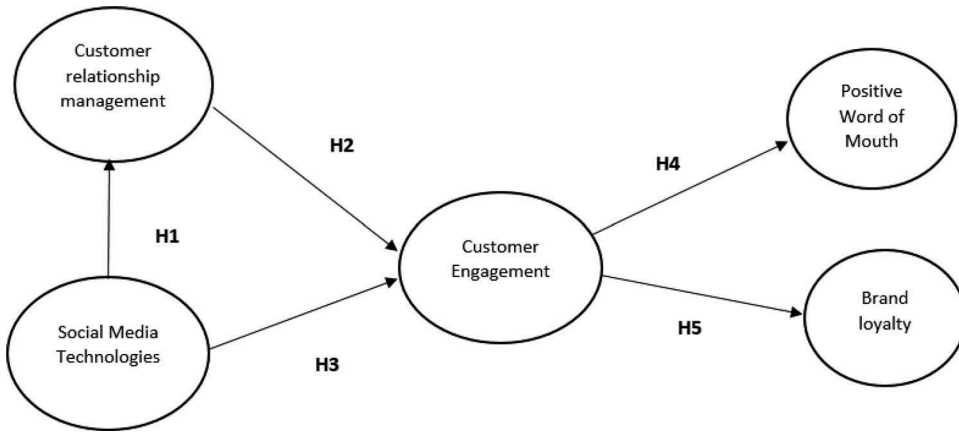


Figure 1. Proposed social customer relationship management framework.

which may influence customer relationship outcomes such as brand commitment and advocacy. The marketing communication landscape is changing and so have digital consumers who are currently more empowered. This proposed model is adapted for this change in consumer behavior and also, to meet evolving market needs.

Discussion and implications

Literature evidences opportunities by SCRM such as collaboration and co-creation of value, in the manufacturing sector mainly from the firm's perspective (for e.g. Lehmkuhl, 2014). Despite the proliferation of studies on social media in the hotel industry, there are still some uncertainties regarding the actual value that Web 2.0 technologies can contribute to service-based firms (Garrido- Morena et al., 2018). The use of technology in CRM in the tourism and hospitality firms continue to have a short-term orientation in the form of transactional relationships when customers are in fact seeking brand engagement and co-creation of value (Harrigan et al., 2017). While the marketplace continues to witness an increase in social media applications such as Instagram and Snapchat which are mostly picture-based, the foundation of a social customer relationship management strategy remains a customer-oriented focus. Moreover, as pointed out earlier in this research, employees will also play a vital role in the successful implementation of a SCRM strategy. One of the key challenges currently faced by the hotel industry is the ability of employees to derive meaning from both structured and unstructured data available on social media sites (Chan et al., 2018). Hence, employees with advanced data analytical skills who can derive valuable insights that are essential for data-driven decision making to achieve a higher level of customer satisfaction, will be needed in future.

Concerning SCRM performance outcomes, it is worth noting that hotel companies mostly adopt promotional tactics such as redeemable points, coupons, discounts and fidelity programs to generate customer loyalty (Ramkissoon & Mavondo, 2015). Nonetheless, such loyalty programs and the use of sales promotion strategy do not always reap benefits in the long run. Customers who only wait for price reductions to save money

cannot be considered as loyal customers because the propensity to switch brands remains high. However, a high level of engagement can foster brand loyalty in the form of positive word of mouth, willingness to purchase or repurchase intentions (Ong et al., 2018). Loyal customers are brand evangelists who are emotionally connected to the brand and are thus not price-sensitive. A high level of customer engagement can create brand –loyal customers who are even willing to pay more due to the quality of relationship established from past interactions.

Previous research studies in the SCRM field have often focussed on components such as people, culture, knowledge management, top management commitment and technology as important factors for CRM implementation (Rahimi, 2017; Shokohyar et al., 2017). However, this research adds to current knowledge about social CRM strategy in the hospitality industry in three ways. Firstly, it contributes to relationship marketing theory by exploring the antecedents and the outcomes of customer brand engagement on social media platforms. Secondly, it recognises customer engagement as a critical success factor for both customer and the firm's benefits which has rarely been addressed in past studies. Besides, it adds value to marketing communication theory, online consumer behaviour and engagement theories. Thirdly, this research contributes to the evolution of hospitality CRM research in the form of SCRM, by extensively analysing and incorporating theories from other disciplines such as knowledge management and information technology.

Conclusion and recommendation for future research

This study serves as a reference for hotel practitioners to understand the multi-faceted nature of the social CRM phenomenon (Harrigan et al., 2017; Wu & Lu, 2012). After having conducted an extensive review of CRM concepts and literature on social media marketing, it proposes an integrated conceptual model which merges CRM effectiveness dimensions with social media technologies to generate engagement which is a critical component to achieve financial performance in form of brand loyalty. Hospitality practitioners can evaluate their existing CRM and online marketing strategy by reviewing their customer orientation management process, firm competence in terms of working environment, knowledge management processes, and technology-based CRM and identify pitfalls prior to investing resources on new CRM 2.0 strategy. Furthermore, customers are no longer passive consumers of services. This paper taps into this change in consumer behaviour in the hotel industry context. Social media technologies have empowered consumers with platforms whereby they can interact and co-create their experience by collaborating with service-providers. This study identifies customer engagement as a key player in the interrelationship that exists between CRM, social media and brand loyalty. Co-creation of innovative service experiences can lead to the generation of positive word of mouth and this can significantly decrease marketing expenses and increase revenue. Moreover, brand advocacy in the form of electronic word of mouth can also establish confidence benefits in the form of trust.

All companies aspire to have loyal customers who emotionally connect to their brand as engaged customers tend to be risk-averse and they also have a longer lifetime value. However, one important construct that this model does not showcase is that of negative word of mouth. Customer-brand relationship on social media platforms does not always generate positive relationship outcomes. But hotel managers can undeniably learn from negative reviews, posts

and comments on these open, interactive platforms and they can accordingly, make amendments in their service delivery processes or product offering which can in turn help with new customer acquisition and customer retention alike. Conclusively, this study proposes a holistic conceptual framework that can help hotel managers to make informed decisions when it comes to adopting an effective social CRM strategy.

Future researchers will benefit from the empirical testing of the proposed model, through the use of social media technologies for customer relationship management in a wide range of hotels. Future studies could generate insights from customers, hotel employees and hotel managers which will enable hoteliers to see the congruence, differences in expectations and willingness of various stakeholders to engage and collaborate with an aim of generating higher relationship performance outcomes.

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