

Managing Customer Complaints- A Tool to Enhance Customer Relationship in Hotel and Restaurant Industry for an Entrepreneur

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Abstract

Complaint management system in the organizations should be so effective that it does not destroy the image of the company and the brand value is not affected negatively. Handling customer complaints is a skill and the organizations today, must focus on the development of effective skills among its employees for a better future. The paper aims to analyse the aspect of Complaint Handling in the area of Customer Relationship Management in Hotel and Restaurant service sector in India. The various types of problems faced by customers in Hotel and Restaurant service sector in the public and private sectors, the frequency of making complaints and the expectation levels of customers regarding the ability of the customer service provider in handling complaints are the main issues of discussion in the paper. The paper is based on primary data. The paper has a practical implication both for the academicians and for the readers. The highlights of the paper can be used for further research purpose and provides knowledge base to the readers. The paper is original in nature. This paper provides historical context for recent developments in the area of Complaint management in Hotel and Restaurant service sector. It can help in improving the complaint management process in Hotel and Restaurant service sector.

Review of Literature:

Rababah K., Haslina and Ibrahim H. (2011) stated that for ensuring the successful adoption and implementation of any CRM initiative, organization should understand the different levels of CRM process and the integrated activities among the CRM processes at each level. They suggested a pre-implementation plan for CRM programs/systems which to initiate and communicate a customer-oriented culture within the organization. Adrian Payne and PennieFrow (2005) developed a conceptual framework for CRM that helps to broaden the understanding of CRM and its role in enhancing customer value. The authors explored the definition of CRM, and according to their research they identified the alternative perspectives of CRM. The authors also emphasized on the importance of the cross-functional CRM processes and process-oriented CRM as well as strategy development process for CRM. ClaesFornell C. and Wernerfelt B. (1998) stated that 'most successful business firms employ offensive as well as defensive marketing strategies. The objective of the offense is to generate new customers; the objective of the defense is to keep current customers' In their paper the authors defined complaint management as a 'general undertaking'. The paper discusses a model on Complaint Management developed by the authors.

Introduction

Customer Relationship management (abbreviated as CRM) is as an important aspect of developing businesses. A commonly cited definition of CRM is that of CRM (UK) Ltd (2002), as follows: '*Customer Relationship Management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and organizations.*'