

**CUSTOMER RELATIONSHIP MANAGEMENT AND
ORGANIZATION PERFORMANCE AMONG SMALL AND
MEDIUM SIZED HOTELS IN LANGKAWI**

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MEDIUM SIZED HOTELS IN LANGKAWI**

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Othman Yeop Abdullah Graduate School of Business,
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ABSTRACT

Customer relationship and organization performance is an important issues among the small and medium size hotels in Langkawi. This is because customer is the main source of income for the organization. Therefore, organization requires seeking methods to improve the customer relationship since it can influence the organization performance. The purpose of this study was to investigate the relationship between customer relationship management and organization performance among small and medium size hotels in Langkawi. The sample of this study comprised of the 69 managers among the small and medium size hotels in Langkawi. In this study, questionnaire was used as instrument for data collection. In addition, regression and correlation analysis are used to analyze the correlation between independent variables and dependent variable. The research results have shown that the small and medium size hotels in Langkawi has high implementation in customer relationship management at current stage. Meanwhile, technology based CRM, CRM organization and customer orientation as dimensions of customer relationship management significantly influenced organization performance. However, only knowledge management is not significantly influenced organization performance. Besides, the study faced several limitations such as time and budget constraints which limited this study only to concentrate in Langkawi area. The findings of this study have some contributions for future research and organization performance development.

Keywords: Customer relationship management; Organization performance; Small and medium size hotels; Langkawi

ABSTRAK

Perhubungan pelanggan dan prestasi organisasi adalah antara isu- isu penting di kalangan hotel kecil dan sederhana di Langkawi. Ini adalah kerana pelanggan merupakan sumber utama pendapatan kepada organisasi. Oleh itu, organisasi perlu mencari kaedah untuk memperbaiki perhubungan sesama pelanggan kerana ia boleh mempengaruhi prestasi organisasi. Tujuan kajian ini adalah untuk mengkaji hubungan antara pengurusan perhubungan pelanggan dan prestasi organisasi di kalangan hotel-hotel kecil dan sederhana di Langkawi. Sampel untuk kajian ini adalah 69 orang pengurus diantara hotel kecil dan sederhana di Langkawi. Dalam kajian ini, kaedah soal selidik telah digunakan sebagai instrumen untuk mengumpul data. Di samping itu, kaedah analisis regresi dan kaedah analisis korelasi telah digunakan untuk analisis korelasi antara pembolehubah bebas dan pembolehubah bersandar. Keputusan penyelidikan telah menunjukkan bahawa hotel kecil dan sederhana di Langkawi mempunyai kadar pelaksanaan yang tinggi dalam pengurusan perhubungan pelanggan pada peringkat semasa. Oleh itu, teknologi berasaskan CRM, organisasi CRM dan orientasi pelanggan sebagai dimensi pengurusan perhubungan pelanggan mempengaruhi prestasi organisasi secara ketara. Tetapi, hanya pengurusan pengetahuan yang tidak mempengaruhi prestasi organisasi secara ketara. Selain itu, pelaksanaan kajian ini menghadapi beberapa batasan seperti kekangan masa dan bajet yang terhad telah menyebabkan kajian ini hanya tertumpu pada kawasan Langkawi sahaja. Hasil daripada kajian ini telah membuat beberapa sumbangan untuk penyelidikan masa depan dan pembangunan prestasi organisasi.

Kata kunci: Pengurusan perhubungan pelanggan; Prestasi organisasi; Hotel kecil dan sederhana; Langkawi

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LIST OF ABBREVIATIONS

CRM	Customer Relationship Management
ETP	Economic Transformation Program
GDP	Gross Domestic Product
MAH	Malaysia Association of Hotels
NKRAs	National Key Result Areas
SMEs	Small and Medium Sized Enterprises
SPSS	Statistical Package for Social Sciences

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

In today dynamic marketplace, many businesses and industries have classified and defined customer as an vital aspect; however they have to faced many challenges such as the customer demands, needs and behavior (Agnes, 2009; Chuchuen & Chanvarasuth, 2011). Therefore, in order to be able to compete and survive in the competitive marketplace, it is important for the business, company or organization to change their focus from production to customization or specialization (Chuchuen & Chanvarasuth, 2011). Besides, these companies also must implement different business strategies that consider on customer such as customer-oriented strategies in order to meet the customers' needs and demand (Agnes, 2009).

Generally, in order to expand the market share and increase company sales, acquire new customers become an important aspect that most of the company will consider. However, the issue on retaining the existing customer is also one of the vital factors that can ensure the success of the company. This is because it related with the costing issue. Basically, find or acquire a new customer are more costly and expensive compare to retaining the existing customer in the market or business (Chuchuen & Chanvarasuth, 2011). Therefore, many researchers suggest and

encourage company and business organization to adopt or implement customer relationship management (CRM) as their business strategy in order to enhance their performance (Ngai, 2005). This is because according to many studies that show that the effectiveness of enhancing the relationship with the customers by implemented customer relationship management, can increase customer loyalty, customer retention and generate sales for the company. (Ngai, 2005; Xu, Yen & Chou, 2002; Xu & Walton, 2005).

Customer relationship management has been receiving a great amount of attention recently in many areas of business and industries. Therefore, there are increasing numbers of research on customer relationship concept toward the business (Ngai, 2005). There are few factors that generate interest for the researchers to study issues related to customer relationship management, with growth of information technology and the importance of customer orientation in business (Akroush et al., 2011). Based on literature review done by Ngai (2005) on 205 customer relationship management articles published between 1992 and 2002 that show customer relationship management is getting big attraction and important among practitioners and academics. According to Ngai (2002) research on customer relationship management will continue.

Meanwhile, Sin, Tse and Yim (2005) indicated that if business or company want to increase or maximize performance in term of customer satisfaction, financial or marketing perspectives, it is necessary to build a long term relationship with their

customers (Sin, Tse & Yim, 2005).

Furthermore, customer relationship management also gets the attention of professional people such as accountants, bankers and lawyers, due to the competitive environment and economic growth. This is because customer relationship management is considered as one of the important strategy that can improve and enhance relationship with the target customer (Agnes, 2009). In an intensive competitive environment, not only international companies but also local companies are attempting to identify ways to enhance customer relationship management to improve organization performance.

1.2 Overview of Langkawi Hotels Industry

Langkawi is one of the island in the states of Kedah. It is located in the north west part of the Peninsular Malaysia. Langkawi is an attractive and famous island in Malaysia because of its natural beauty beach and rich with flora and fauna. Therefore, Langkawi becomes an interesting tourist destination in Malaysia especially for the foreigner visitors. Langkawi comprises of 104 islands. In 2011, according to the Tourism Malaysia website, it shows that almost 3 million visitors that visited Langkawi. This shows a huge number of tourists that visited Langkawi. Although, many tourists choose Langkawi as their travel or vacation destination but the hotel industry in Langkawi, especially small and medium size hotels is facing an intense and challenging competition from the large hotels or the established hotels (Yaacob & Yu,

2013). Therefore, the adoption and implementation of the right business strategy is very important for them to survive and increase their competitive advantage in the competitive marketplace.

1.3 Problem Statement

Hotel industry is one of the major contributor for the country's gross domestic product (GDP) and employment. Therefore, it is important to ensure that the hotels in the industry can survive and be able to compete with each other (Dhesi, 2011). SMEs from the hotel industry currently make up 99% of total business establishments and are a important contributor to the country's GDP at 32%. Besides, there are over half or 57% of total employment comes from this sector (Dhesi, 2011).

For this research, the hotel industry is being chosen because the industry has become a significant and crucial contributor to the Malaysia economy growth over the last two decades. Furthermore, the government also gives significant support toward the industry. For an example, National Key Result Areas (NKRAs), Economic and Transformation Program (ETP) that implemented by government has show the effect to improve the current situation of hotels industry (Yaacob & Yu, 2013). According to Tourism Malaysia website in 2013, 25.72 millions tourists's visited Malaysia. From the Tourism Malaysia website, the income for year 2013 was RM65.44 billion. From the statistic, it shows that there is double increase in term of the income for the past ten years from year 2003 to 2013 (Tourism Malaysia, 2013).

Although, there are no any data that show hotel industry gains from the increasing number of tourists, but the large hotels are the main benefit party that have benefited compare to the small and medium size hotels (Yaacob & Yu, 2013; Grisseemann, Plank & Sperdin, 2013; Ozgener & Iraz, 2006). Therefore, small and medium size hotels have to enhance their performance in term of customer relationship in order to compete with the large hotels.

Few issues that small medium hotels have to be concerned since there are lots of changes in the government policies and regulatory since 2013 especially in term of the minimum wages. Nowadays, hotel industry especially small and medium size hotels also faced critical issues regarding skill human capital, labour shortage and human resources issues such as the minimum wage policy and new retirement age for the private sector, which has been implemented by the government since 2013 (Nee, 2013). As a result, the labour cost has increased; indirectly the cost of operation will be higher than before (Nee, 2013). Therefore, it is important for the company to be alert and prepare for the rising cost of labour. If they ignore the costing issue, there will face a lot of the problem and faced with losses. Thus, small and medium size hotels must alert on the minimum wages issues (Nee, 2013).

Globalization and increasing of operation cost especially labour cost that occurs in the hotel industry in Langkawi makes the small and medium size hotels even harder to survive because they have to compete with the large hotels that are owned by the big or foreigner companies (Yaacob & Ju, 2013). This is because these large

companies have a financial support, advance technology and good management strategy. Therefore, it is timely and urgent for the small and medium hotels in Langkawi to emphasize on their organization performance especially in term of the customer relationship perspective. This is because increase of the organization performance can be achieved by reducing the operation cost and enhances competitive advantage. Small and medium size hotels have become an important source for providing employment and contributor to the country growth domestic product (GDP). This study will be focusing on the influence of the customer relationship management toward small and medium size hotels performance. Besides, it will provide direction for SMEs hotels in Langkawi in term of enhance competitiveness and the effectiveness in managing customer relationship.

1.4 Research Questions

The research is conducted to examine the relationship between customer relationship management (CRM) and organization performance among the small and medium size hotels in Langkawi. Customer relationship management practice consists of knowledge management, technology based CRM, CRM organization and customer orientation. The dependent variable is organization performance among the small and medium size hotels in Langkawi. Below is the research question that structured based on the facts and issues stated at the problem statement.

1. What is the level of customer relationship management practices in small and medium size hotels in Langkawi?
2. Is there relationship between customer relationship management and organization performance among small and medium size hotels in Langkawi?
3. Which is critical factor of customer relationship management that influence organization performance in small and medium size hotels in Langkawi?

1.5 Research Objectives

Based on the research questions mention above, the objectives for this study are to identify the influence of customer relationship management on organization performance among small and medium size hotels in Langkawi. The specific research objectives are as following:

1. To identify the level of customer relationship management practices in small and medium size hotels in Langkawi.
2. To identify the relationship between customer relationship management and organization performance in small and medium size hotels in Langkawi.
3. To identify the critical factor in customer relationship management practices that influence organization performance in small and medium size hotels in Langkawi.

1.6 Scope of Research

The study will be conducted among the managers of the small and medium size hotels in Langkawi. The objective of the study is to evaluate the influence of the customer relationship management on organization performance among small and medium size hotels in Langkawi. More specifically, the study aim to investigate any significant or direct relationship between knowledge management, technology based CRM, CRM organization and customer orientation on organization performance among small and medium size hotels in Langkawi. Furthermore, the study will also concern on the implication of customer relationship management in organization. The sample for the study will be selected among the small and medium size hotels in Langkawi based on the selected criteria.

1.7 Significance of study

This study will look into two aspects, which are customer relationship management and the influence on the organization performance among small and medium size hotels in Langkawi. There are few reasons this research is significant. Firstly, customer relationship is a vital aspect in the hotels industry. It is important for the hotels to identify their customer requirement and demand. This is because it will ensure the hotels performance in term of the customer satisfaction and profit. Unable to satisfied the customer needs will bring difficulty for the hotels to compete with the others especially the small and medium size hotels that lack of resources.

Therefore, the study will provide knowledge and understand it can clearly how the customer relationship management influences the organization performance. Second, the rising issues regarding the increase in operation costs that included wages will have the huge impact on the hotels survived especially small and medium sized hotels. This is because the income from the customers will generate revenue and profit for the hotels. Therefore, increase in the number of the customers to stay at the hotels will increase the income for the hotels. If the hotels cannot get enough income to pay for their operating cost, it will be very hard for the hotels to be survived in the industry especially for the small and medium sized hotels.

It is important to encourage hotels to implement customer relationship management to improve the organization performance and reduce the operating cost. Lastly, the finding from this study will be helpful for the small and medium size hotels in Langkawi to improve their operation and compete with other large hotels in the Langkawi.

1.8 Structure of Report

This chapter describes the background of the study. It discuss the importance of small and medium size hotels in Langkawi and current issues challenges in the industry. The research questions and objectives are developed based on the problem statement. The significant of this study is also discussed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Chapter 2 consists the literature review on the research variables, which are customer relationship management and organization performance. This chapter will also examine the concept of customer relationship management and organization performance. Customer relationship management will be measured in the aspect of knowledge management, technology based CRM, CRM organization and customer orientation.

2.2 Customer Relationship Management Evolution

Generally, customer relationship management is considered by most organizations and researchers as a crucial business strategy because it can help to enhance a company's resources in order to create competitive advantage over the competitors by retaining their profitable customers. Basically, customer relationship management is focusing on building a sustainable and long term customer relationships which mean it will be able to create the value for the company and customers. Therefore, it can be concluded that customer relationship management as a process of customizing

the customer knowledge based on the employee knowledge on their customers. This is because employees who have close relationship with the customers and need to keep alert on their requirements, purchase patterns and preferences.

The evolution of CRM described by many researches are based on the relationship marketing. Therefore, the terminology related to managing customer relationship may be included if discuss about the evolution and definition of CRM. According to researchers, there are five terminologies that are related to knowledge of managing customer relationship, which is relationship marketing, relationship management, customer relationship marketing and customer relationship management.

The concept of relationship marketing has been discussed at the end of the 1970s in many study areas. The discussions are mostly emphasized on the importance of managing the customer relationship. The concept has been mainly discussed especially in the business area. According to Berry (1983), relationship marketing can be defined generally as a process to attracting, maintaining, and enhancing the customers relationship with the core business by implementing the relationship strategies.

Customer relationship management then getting on discussion in early of the 1990s in the marketing area and focusing on relationship marketing with the main objectives is of improving and enhancing the customer relationship and retention. In addition customer relationship management has also can be classified as a company

business strategy that can help company to improve and build up long term relationships with their customers and increase company revenue and profits from the strategy.

Furthermore, researchers suggested to develop of relationship management to provide guidance to the company in order to achieve the relationship management an objectives. Gamble et al. (1999) described that relationship management is an important and challenging marketing issues. This is because most companies depended on a small number of customers and suppliers in order to survive.

Meanwhile, customer relationship marketing concept emerged from marketing area. It has become one of the favourite topics for researchers to study and discuss. Besides, Gamble et al. (1999) stated that customer relationship marketing is one method for the company to identify their customers more accurately then build a long term relationship with them.

There is a conflict among many researchers in term of the term and concept between relationship management and relationship marketing. This is because some of them think that both are the same. Relationship marketing is one of the marketing concepts that developed from direct response from marketing in the years between 1960's and 1980's. The relationship-marketing concept emphasizes and focus more on two important aspects, which is customer retention and satisfaction. Furthermore, there are also some marketers and researchers that emphasize the importance of a

relationship management on the distribution channel (Ei-Ansart, 2005). Relationship management is a concept that explained and described the managing on relationship with all marketing channels. Therefore, most research and discussion on relationship management are being discussed in industrial marketing. Therefore, it can be concluded that relationship management is part of the relationship marketing.

In summary, relationship marketing can be concluded as a traditional marketing concept. Due to the difficulty to acquire and get new customers and it is very costly for the company, it becomes very crucial to retain the existing customers. Therefore, customer relationship management concept appears after the relationship marketing. This is because of the knowledge in the areas of relationship marketing and services marketing have focus on the effective way to manage the relationship with the customers. Some researchers have suggested that using customer relationship marketing in order to refer to consumer markets. Lastly, it can be summarize that customer relationship management has evolved from relationship marketing and relationship management.

Figure 2.1: Evolution of Customer Relationship Management

Direct sales	Features
	Especially for small store, focusing on customer satisfaction, emphasize personal relationship with the customer, and create customer loyalty.

Mass marketing	Features
1960s	Large-scale production is the objective of the business to achieve cost efficiency, advertised by mass media to create brand recognition.

Target marketing	Features
Mid- 1980s	Implemented information technology to get the information, data and feedback from the target customer, technology tools such as telephone and mail are using

Customer relationship management	Features
1990s	Develop intimacy with customers using technology application, identify customer knowledge such as behavior or needs. Concentrate on personal contact with the customer in order to build long-term relationship with the potential customer and increase the loyalty ratio.

Source: Ling R. and Yen D. (2001). Customer relationship management: an analysis framework and implementation strategies.

2.3 Customer Relationship Management Practices

Chuchuen and Chanvarasuth (2011) described that customer relationship management is a marketing approach that can be applied as a company strategy. It is used to create a long-term customer relationship that benefit both sides, which is customer and company. Besides, Chuchuen and Chanvarasuth (2011) also argued that CRM is one of the approach that use to managing customer relationship based on the customer knowledge.

Plessis and Boon (2004) described customer relationship management as the management process between the company and the customer relationship. The process of building the relationship between both sides including understand and fulfillment of the customer needs regarding customer knowledge that received from the target group of customers. The effective relationship between customer and company will directly affect the company performance in term of many aspects such as customer loyalty, profitability and employee job satisfaction.

Besides, Bose (2002) explained customer relationship management is a business strategy that included acquisition, analysis and apply the data or information about the customers to provides quality services or goods. The customers' term itself included many parties, which is vendors, group of customers, individuals, or channel partners. Customer relationship management also requires the integration of technological applications such as internet, data warehouse and hardware, along with

the support of the company main departments, which is marketing, accounting and production.

Furthermore, Chang (2007) perceived that customer relationship management as integrated resources of organization, which is marketing, business process and technology in order to identify and understand the customer demand and desire in many perspectives. In the other word, customer relationship management will apply information technology to combine the sales, production, service and marketing to do a customization for the customer needs. This can increase customer loyalty and in return increase company profit margin. Chang (2007) also described that customer relationship management is the process in customer relationship that comprise of acquisition, retention, and identification of new target customers. It will finally improve and increase customer satisfaction and loyalty, directly increase company revenue and profit.

In addition, Grant and Anderson (2002) pointed out that customer relationship management has two important aspects. First, customer relationship management is a business strategy that will provide the company with the direction. Second, customer relationship management is also the combination of the software applications, hardware tools and technologies. There are few objectives for the customer relationship management adoption, which is to increase customer satisfaction, retention and value, reduce the operating cost, increase the revenue and profit and, searching for new opportunities for expansion.

Although the adoption of the customer relationship management will help company to enhance their performance however, there are still many companies that are lack of confidence. According to Ko et al. (2008), customer relationship management has been generally accepted as a important business strategy especially to improve the ability to compete with others in the competitive business environment. In a research done by Ko et al. (2007), they show that the main purpose that companies adopted customer relationship management is to manage or retain their existing customers, gain or acquire new customers and increase the company profit. On the other hand, for the companies that does not adopt CRM as their business strategy, it is because they lack of understanding and confidence, high costs, premature adoption, and lack knowledge in system application. Therefore, Ko et al. (2007) has identified the benefits of CRM adoption are to encourage the repurchase ratio, increase customer brand loyalty and collecting useful customer data. By increasing the repurchase ratio, it will directly increase the company profit and performance.

To summarise, this study has discussed the base elements of customer relationship management; these are; (1) Knowledge management, (2) Technology base CRM, (3) CRM organization, and (4) Customer orientation.

2.3.1 Knowledge Management

Plessis and Boon (2004) had lighted knowledge management is a process of managed, and then structured the approach in term of collecting, analyzing, sharing and leverage the knowledge into firm important assets. With the availability of the knowledge, the company can utilize it effectively especially to produce the quality products or deliver the quality services to the target customers. Besides, Plessis and Boon (2004) further explained that knowledge management is able to ensure the company can perform effectively in term of the decision-making. In addition, the company is also able to apply the new business modal to respond to the market changes based on the information sharing and communication.

Mohammad et al. (2013) described that knowledge management is the process of creating, gaining and sharing of customer data. It is customer knowledge management with the purpose to improve the company performance. Customer knowledge management can categorize the customer data into various categories. The information will help organization to customize their service and product. Besides, the information can use to improve customer satisfaction.

In today competitive business environment, customer relationship management and knowledge management are consider as the vital tools in order to be able to compete with the others (Moreno & Melendez, 2011). Based on the

most CRM literature review, it shows that companies that are more profitable and be able to sustain in the competitive marketplace are those that retain their existing customers than attracting new customers (Moreno & Melendez, 2011). The way to retain the existing customers is to create long-term relationship with them by meeting their needs.

Therefore, in order to create the long-term relationship, customer knowledge and knowledge management are vital factors that affect the CRM success (Moreno & Melendez, 2011). They conducted an empirical study to examine the relationship between knowledge management and CRM success. The result from their study indicated that knowledge management has positive relationship with the CRM success in hotel industry. However, they also mentioned that there are still other factors that influence CRM success which are technology, customer orientation and organization variables. Finally, in order to ensure that CRM success during the implementation, Moreno and Melendez (2011) suggest that all the factors to be integrated.

According to Plessis and Boon (2004), knowledge management is one of the significant elements for organization or businesses that practice customer relationship management. They describes knowledge management as a structured approach to manage the knowledge to become an organization or business asset in order to enhance and upgrade company efficiency to fulfill the customers' needs. This is because during the implementation of the customer relationship

management, knowledge management can provide better understanding of the customers regarding to their demands, behavior and needs. It can lead to customize products and services according to the information. Furthermore, it will increase the effectiveness and efficiency of the company operation and reduce errors. That is why now a day, knowledge management is not only important for the traditional business but also in the eBusiness (Plessis & Boon, 2004).

In order to measure the significant role of knowledge management in eBusiness and customer relationship management, Plesis and Boon (2004) conducted a study toward the corporation in South Africa in a variety of industries, namely telecommunications, financial services, IT and professional services. The result of the study shows that knowledge management plays a very important role in eBusiness and customer relationship management.

Stefanou, Sarmaniotis and Stafyla (2003) conducted an empirical research to investigate the relationship between customer-centric knowledge management and customer relationship management among the 1,000 large Greek organizations. According to them in today globalization, business situation and intensive competitive challenge have forced many companies in Greek to switch their intention to manage their relationship with customer especially in term of satisfaction. In return, it will ensure the future revenue and profit and increase the company performance.

Customer satisfaction is the core objective for the company to emphasize to retain their customers. Many empirical research also suggested that customer satisfaction is the critical factor to maintain company competitive advantages (Stefanou, Sarmaniotis & Stafyla, 2003). Customer satisfaction is the basic customer knowledge for company to enhance their knowledge management (Stefanou, Sarmaniotis & Stafyla, 2003). Besides, many scholars have pointed that it is important for the company to refine their CRM knowledge management to get the value knowledge not only the customer buying pattern but also their behavior and preferences. Therefore, CRM system plays an important role to accumulate all data from the customer. The result from the study done by Stefanou, Sarmaniotis and Stafyla (2003) indicated that half of the organizations that have implemented the customer-centric knowledge management. Besides, also 90% of the respondents agreed the significance of the knowledge management in CRM.

Nejatian et al. (2011) has investigated the influence of customer knowledge on customer relationship management performance among Malaysia ICT companies. The study consisted of 201 ICT companies in Malaysia. The main contribution of the study is to determine any significant relationship between customer knowledge and CRM performance. Whether, fully utilization of customer knowledge in CRM will be directly related with the positive effect on customer satisfaction. The companies that can better apply and utilize their knowledge management can

directly improve the relationship with their customers in term of loyalty and retain competitive advantages. The main purpose of knowledge management is to create the core competency to their business strategy knowledge. Meanwhile, knowledge management should also consider from the market orientated perspective such as customer preferences, needs and other external factors. At the end of study, it was found that customer knowledge is a significant factor that influence CRM performance. However, researchers also suggest that there are other factors that influence CRM performance.

Meanwhile, Kamal (2012) also conducted another study in Iran to examine the factors that influence customer relationship management in Iranian insurance firms. This study specifically focus on the indicators that influence CRM most. The sample for the study consisted of 250 respondents among the managers and the management team in insurance firms located at the Tehran city. The data analysis results indicated that knowledge management has a positive relationship with customer relationship management in Iranian insurance firms. This is because insurance core business is more concern on the people needs coverage in term of medical and life purpose. Therefore, customers needs are the critical data and information for the insurance firm to further understand their needs and wants. Indirectly, insurance firm can design and plan based on the customer knowledge that they obtain from the target customers or target market. Besides, from the customer knowledge, they are able to build decisions to acquire, attract and retain

the existing customers. As a result, it will create advantages for them to serve the customer better to achieve their expectation and satisfaction. At the end of the study, Kamal (2012) also mentioned that not only knowledge management is a main factor influence CRM success, but customers, organizational and technology support are key to the success of the CRM process.

2.3.2 Technology based CRM

Sigala (2004) investigated the influence of the technology and information and, communication technology (ICT) toward the implementation of customer relationship management in the Greek hospitality industry. Data warehouse and data mining are vital factors for CRM implementation. Therefore, technology and ICT become the tools to gather the data for analysis. For an example, the technology help to analysis and determine the data in term of buying pattern, customer behavior, market segments and demographics. Although there are debate from researches and scholars regarding CRM success implementation, there are still no framework that can determine CRM process that can be best adapted to the company, business or organization. Therefore, in the study, Sigala (2004) proposed the model that integrated ICT into the CRM and business strategies. The sample consisted of 147 hotels from Greek, which is willingness to participate in the study. For data collection, questionnaire survey was used to collect the data. The questionnaire was send by e-mail, mail and via telephone. The study indicated that there are three managerial indicators, which is technology, or ICT,

knowledge management and relationship marketing that are required for the CRM success during implementation. Besides, from the study, it was found that by implementation CRM, it will directly enhance the service quality and increase the customer loyalty and satisfaction. Therefore, give positive impact to the organization performance.

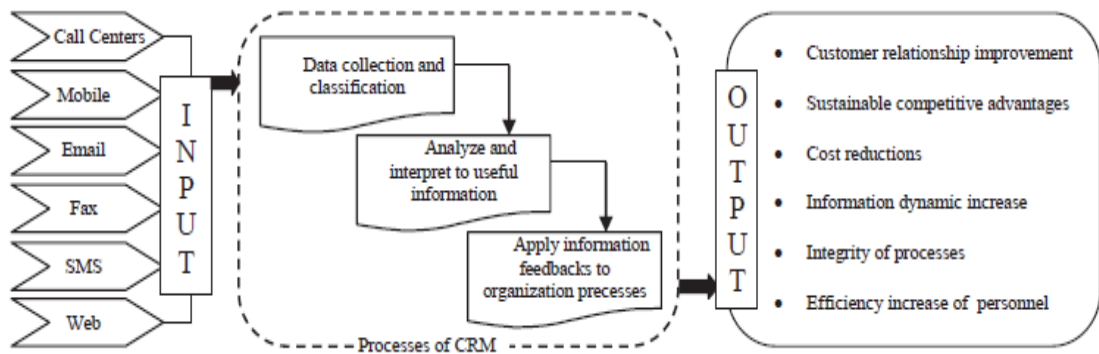
Subsequently, Chang, Park and Chaiky (2010) conducted a study to investigate how CRM technology transforms organization performance among the Korea companies. CRM technology is classified as the information technology that can use to analysis data, data mining, sales support and service support (Chang, Park & Chaiky, 2010). The main objective for the study is to develop an integrated framework to describe the use of CRM technology to enhance organization performance. According to Chang, Park and Chaiky (2010), in today business environment, many companies have invested in CRM technology with the belief that it can develop and implement efficiency customer focus strategies. However, there are empirical studies that show it cannot meet the performance expectation. Therefore, in the study, Chang, Park and Chaiky (2010) examined how CRM technology influences organization performance in the context of Korea companies. The sample for the research consisted of 209 respondents from top 500 Korea companies in term of the annual sales among all industries. The result from the study found that there is a strong relationship between CRM technology and organization performance. However, they also proposed the role of marketing

capability in order to enhancing the CRM technology. The results also indicated that it is more effective in term of enhancing organization performance. Therefore, it is not sufficient to enhance the organization performance with the CRM technology itself. Companies should also increasing their attention toward marketing strategies and fully utilize the CRM technology to better enhance the business performance.

Bahrami, Ghorbani and Arabzad (2012) conducted a research to study the influence of information technology as an improvement tool in term of creating and maintaining the long-term relationship, which is customer relationship management between the organization and the customers. In the business environment, customers' needs and their expectation are vital factors to be considered. They have identified the needs and expectation and enhancing them by developing effective relationship with the customers. Therefore, technology plays an important role for the company in order to provide the system that can be use to retrieve the information about the customers. Customer relationship management is related to customer data that is facilitated by the IT. The study framework shows the required infrastructure was developed for the effectiveness relationship between organization and customers. The information technology tools such as call centre, mobile and email are used to collect the customers' data as input. Then the data are being process and analysis to become useful information for company via CRM process. As a result, relationships between

customers improve, be able to sustain the competitive advantage and reduce the cost of operation. However, according to Bahrami, Ghorbani and Arabzad (2012) technology is necessary and important in CRM process and it is still needed to integrate with the other factors to ensure CRM process could perform better.

Figure 2.2: CRM Process With the Technology: All Type of IT Tools as Input and Output will be the Results



Rapp, Trainor and Agnihotri (2010) had conducted an empirical research to examine the role of technology and other resources as capabilities to build up the durable relationship with the customers. The sample for the study consisted of 215 organizations in US based industries. The method used to collect data during the study is by sending out the questionnaires through email. The result from the study show that CRM technology has a positive significant relationship to build up loyalty and durable relationship with the customers. According to them, CRM technology capabilities are used to manage the relationship between company and customers by enable the employees to focus on customers by combining the

information and organization activities. For example, customer service gets the customer information through the interaction with them. After that, made it available and utilize it for every business department. Therefore, the researchers are concentrating on how information is derived from the technology applications to be able to use for the organization and effectively enhance the relationship with the customers.

According to Chen and Popovich (2003), CRM process fully depend on the technology application and innovation in order to enhance the effectiveness of the process. This is because it can improves the ability in term of the collecting data and analyzing data in many aspects. For example, with the technology application it can analyse the behavior, patterns and their needs. Moreover, it can effectively develop the model based on the data that can provide the direction and solution for organization. Therefore, it is crucial for business to apply technology applications and well in management information for CRM process. On the other hand, Chen and Popovich (2003) also pointed that the important factors for the CRM development that concentrate on innovation in network infrastructure, computer server and the business intelligence.

Furthermore, Nguyen and Waring (2013) explained the role of the technology and information technology in CRM adoption among SME. According to them in today new technology era, small medium sized companies should consider to adopt information technology system during the CRM implementation

to be able to maximize company profit for the long-term purpose. For example, through the technology tools such as database, data mining, data warehousing and marketing process are like to identify more precise target market to increase the customer value while increase or retain the company profit. Based on the Nguyen and Waring (2013) study, it shows the increasing number of the customer retention will directly influence the yield profit of the company. Therefore, they suggested that it is important for the manager to pay more attention to adopt the proper retention strategy.

Besides, the researchers also proposed three important steps to retain the customers. First, measurement of the retention customer based on the retention rate and profitability. Second, identify the causes of the customer dissatisfaction. Third, develop an appropriate solutions to address the issues to increase the rate of retention.

2.3.3 CRM organization

Becker, Greve and Albers (2009) conducted a study to examine the impact and the relationship of the CRM organization toward the customer relationship management success focusing in four different industries, which is financial services, retail, information technology and utilities from ten European countries. Many scholars and managers highlighted the failure of the CRM implementation. Besides, there are also evidences from the empirical studies show that the level of

the satisfaction in the CRM implementation is very low due to the unexpected performance. The sample for the study consists of 400 companies that were randomly selected. The result from the study shows that the companies or organizations have significant relationship toward the CRM success. Therefore, they suggested that the companies have to indentify their CRM objective first whether is to acquire new customers, maintaining or retaining the existing customers. However, regardless what objective is set by the company, they still need the management support from the company. The management support consists of top management support and employees support. Therefore, it is important for the top management to deliver the vision and CRM strategy to their employees. Besides, the interaction between the top management and employees also important in order to ensure the CRM process can be successful and achieve the objectives and enhance organization performance. The success on CRM implementation can increase customer's satisfaction and retaining ratio, but also increase employee's satisfaction and subsequently improve company performance.

Ko et al. (2008) studied the influence of organization characteristics towards the CRM process among firms from the fashion industry in Korea. In the study there are 94 Korea fashion companies that took part for the survey. The main objective is to examine the factors that influence CRM process such as the firm, products and CEO characteristics. Past empirical studies had indicated that firm

characteristics influenced the CRM adoption process in companies. The first characteristic is the size of the company. The large companies have a huge resources compared with the small companies. For example, the financial support. Therefore, large sized companies tend to invest more on CRM adoption. Second characteristic is the organizational strategy. There are four types of the organizational strategies, there are prospector, analyzer, reactor and defender. This is because each strategy will affect CRM process. Third characteristic is maturity level of information system in the particular companies. It included the IT team in the company and the way it collaborates with the other departments. The products characteristics also consider as an important part especially in the fashion industry in order to ensure the CRM success. At last, the people that will ensure the success of the CRM strategy and process will be the CEO of the company. So, the experience, age and education level of CEO will play an important role in the CRM process adoption. The results from the study shows that there are relationship between organizational characteristics and CRM process. Besides, the study also found that 50% of the respondents is willing to invest in CRM for long term because it is beneficial to them especially in the competitive Korea fashion industry. CRM can assist them to fulfill and maximize customers needs and increase companies ROI indeed.

Elkordy (2014) further analysed the impact of the CRM capability dimensions on organization performance. The researcher proposed four CRM capability

dimensions for the research which are CRM technology, CRM process, customer orientation and CRM organization. The sample for the study consisted of 15 Egyptian companies included manufacturing and service industry. The respondents are from financial institution, manufacturing companies, telecommunication operators, pharmaceutical companies and services companies. Finally, the study indicated that all CRM capability dimensions have a significant positive relationship with companies performance. However, once the impact of all independent variable being measure simultaneous toward performance, only CRM organization is significant indicator for the organization performance. Hence, it is important for the organization to restructure and redesign the job description to be coordinated with all customer service function. For example, human resource department have to link with CRM concept and components into the human resource policies. Besides, the customer relationship training program needs to be conducted for the company employee's especially front desk service and customer service to increase their knowledge and skill to support CRM behavior and strong customer relationship. To ensure and reinforce the CRM is success, it is crucial for companies to provide rewards for the employees toward this behavior.

Meanwhile, Chen and Popovich (2003) indicated the implementation of the CRM system also requires conducive the organizational factors. Although, technology application and business process play an important role the CRM

success, but the employees of the company are also critical factor to ensure the success of CRM, as they are the people that build up the relationship with the customers. Top management support and commitment are an essential aspect that can influence CRM implementation. Besides, to implement CRM process it also requires the clear objective and vision from the top management. Furthermore, company also need to provide training for their employees in order to enhance their knowledge and skills, especially the way to satisfy the customers' needs. In addition, the company must also evaluate their reward and compensation systems in order to match with the customer orientation. At last, Chen and Popovich (2003) also emphasizes that it is important for the organization or company to be better integrated with the technology elements, business process and people together during the CRM implementation. This is because all elements are interrelated with each other.

2.3.4 Customer Orientation

Tang (2014) described that customer orientation is generally presented as an approach which mean that the customers can get what they want and needs from the companies.

Acar et al. (2013) described customer orientation is a set of beliefs in sales that focus on customer needs and satisfactions as the priorities of an organization. It focuses on dynamic interactions between the organization and customers as well

as competitors in the market and its internal stakeholders. It involves a continuous improvement in business processes. Customer orientation or the “customer is king” is a keyword of the management economics. The causes for the lack of customer orientation lie frequently in the culture, the structure, and the processes of the enterprise. Customer orientation is strategy that requires new processes and a new organizational culture. In global marketing concept, customer orientation should have a favorable impact on business unit performance, and presumably, this should be true regardless of whether customer orientation is measured in terms of the perceptions of the suppliers/sellers or those of the customers

Tang (2014) conducted a study to investigate the influence of customer orientation toward the market performance in the Taiwan hotel industry. According to him, the competitive situation in service industry especially hotel industry forced many hotels to create a unique environment and improve the service in order to provide quality service for the customers. It will be able to effect the customers perception toward the services provided and directly create the memorable experience for the customers. Customer orientation plays a crucial role for the hotels to better understand the customer needs. Therefore, it helps to develop or improve the services currently provided to the customers. Lastly, hotels can utilize these capabilities to enhance the services provided in order to satisfying the customer needs. In the study, 126 questionnaires had collected among the senior executives and department managers from Taiwan hotels. The

results of the study show that the market performance is significant related to customer orientation. Finally, the study also stated that in order to improve the market performance, hotels can enhance the service quality by improving the existing service based on the customers' response. In addition, hotels can also develop new service approaches to satisfy potential customers' needs.

Chuang and Lin (2013) conducted an empirical study to examine the influence of the firm resource capabilities and customer orientation to enhance the customer information quality that can finally improve the customer relationships and firm performance. The sample for the study consisted of 116 financial firms selected from Taiwan. Chuang and Lin (2013) described that customer orientation is considered as customer focus approach. Besides, the relationship between customer orientation and CRM system are important. This is because customer orientation will be integrated within CRM system in order to provide the support toward the company marketing strategy effectively and satisfying the customer needs. The study indicated that there is a positive relationship between customer orientation, customer relationship performance and firm performance. This is because customer orientation will directly influence the quality of the customer information, which will directly give impact to the customer relationship performance and firm performance. Therefore, for companies that emphasize on customer orientation approach have to respond for the customers' feedback, demands and needs. Thus, the quality of customer information is relatively crucial

in order to provide good service and retain the relationship with the customer. Researches also mentioned that customer orientation is very important for information processing because it will directly influence the quality information about the customers.

Tajeddini, Elg and Trueman (2013), conducted a study to investigate the role of customer orientation and entrepreneurial orientation in the aspect of effectiveness and efficiency among the small retailers in the Switzerland. According to them, the roles of the customer orientation and entrepreneurial orientation are normally agreed by most of the researches that enhance firms performance. However, majority most of the studies concentrated on large multinational company. While there are few studies that being conducted to investigate the impact of customer orientation toward the small retailers' performance. The performance that being measure in the study are in the two perspectives which is effectiveness and efficiency. The sample for the study consisted of 261 SMEs throughout Switzerland. The data for the study is collected using personal interviews. The result of the study, indicated that customer relationship is critical and has a significant relationship with both effectiveness and efficiency. However, entrepreneurial orientation only shows positive relationship and impact on effectiveness. Therefore, Tajeddini, Elg and Trueman (2013) suggested that small retailers should emphasize both customer orientation and entrepreneurial orientation since they have limited resources compared to

large company. In addition, it will also increase the small retailers' competitive advantage.

Grissemann et al. (2012), conducted a study to examine the role of the customer orientation and innovation to enhance hotels business performance among the Alpine hospitality industry. The sample for the study consisted of 203 hotels. The data is collected by using questionnaires. The questionnaires are answered by the managers, owners or the management representatives. The study indicated that customer orientation influences hotels effectiveness and the business performance which is reputation, customer retention, and financial performance. Therefore, in order to be able to compete with others, the strategy that adopted must be focus on the guests' needs and demand. This is very important for the hotels to emphasize and apply the customer orientation concept especially in the service industry like hospitality by providing better service that can satisfy their needs and provide them with the memorable experience.

Meanwhile, Acar et al. (2013) conducted a study to investigate the effect and impact of the customer orientation and entrepreneurial orientation toward individual service performance in Turkey banking industry. According to Acar et al. (2013), many research have been done which indicated firm that emphasize customer oriented strategy is likely to be more effectively to achieve the company goal because provided quality service to satisfy their customer become priority. They stated that now day service industry such as banking industry must be more

quickly and effectively respond to the various demands and needs of the customers that keeping growing in the competitive business environment. Therefore, it is important for the banks to adopt the appropriate strategy such as customer orientation in their business operation through their employees in order to enhance companies performance. The sample for the study consisted of 346 frontline employees of banks throughout Turkey. The respondents are limited to the frontline employees because they directly respond to the customers' transactions, complaints and requests. The result from the study shows that customer orientation is positively correlated with the individual performance. In addition, Acar et al. (2013) also mention that in order to increase the banks performance, it need to concern their frontline employees to be able apply customer oriented behavior. This is because it plays an important role for them to put their customer first and in the same time improve their ability to provide better customer service.

Furthermore, Ro and Chen (2011) conducted a study to examine the role and impact of the customer orientation on the employees' empowerment in the hospitality firm in United State of America. The sample for the study consisted of 203 guest employees who include frontline, customer service and cashier. The result of the study indicated that customer orientation has a positive effect on the employees' empowerment. From the result, it shows that employees' customer orientation is crucial for them to perceive empowerment. It means, if the

employees are customer oriented behavior, they will have confident and satisfaction with their job. As a result, it will increase the job performance while directly influences firm performance. However, Ro and Chen (2011) also mentioned that firm itself must also support the employees in term of training and rewards together with the customer orientation factor to increase the employees' job performance.

2.4 Summary

This chapter presented the literature review related to the customer relationship management included knowledge management, technology based CRM, CRM organization and customer orientation. The study will examine the influence of CRM practice toward organization performance.

In first section, the theoretical evidence explained the customer relationship management evolution. Based on the literature to the independent variables of this study were discussed.

In section 2.3, the empirical evidence to show previous literature about customer relationship management practices. The literature covers various countries and regions such as Africa, Europe, Asia and North American. Customer relationship management was widely used in many organizations. In addition, empirical evidence also show the function of knowledge management, technology based CRM, CRM organization and customer orientation. Chapter Three will discuss the develop of the research framework and the research method used in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a critical part in a research process. This is because it can give guidance and direction for the researchers to achieve the research objectives on time regarding the objectives on time. This chapter presents a description of the methodology used in this study. The questionnaire was be used as a data collecting instrument in order to accomplish the research objective. Besides, this chapter will also provide an overview on the research design, research framework, hypothesis development, instrument development, data collection method, population sampling, and data analysis techniques.

3.2 Research Framework

Research framework was developed to provide answer to research questions. Research framework illustrates the relationship between independent variables, and the dependent variable. The independent variables for this study are knowledge management, technology based CRM, CRM organization, and customer orientation. The dependent variable is organization performance among small and medium sized hotels in Langkawi. The research framework is shows in figure below:

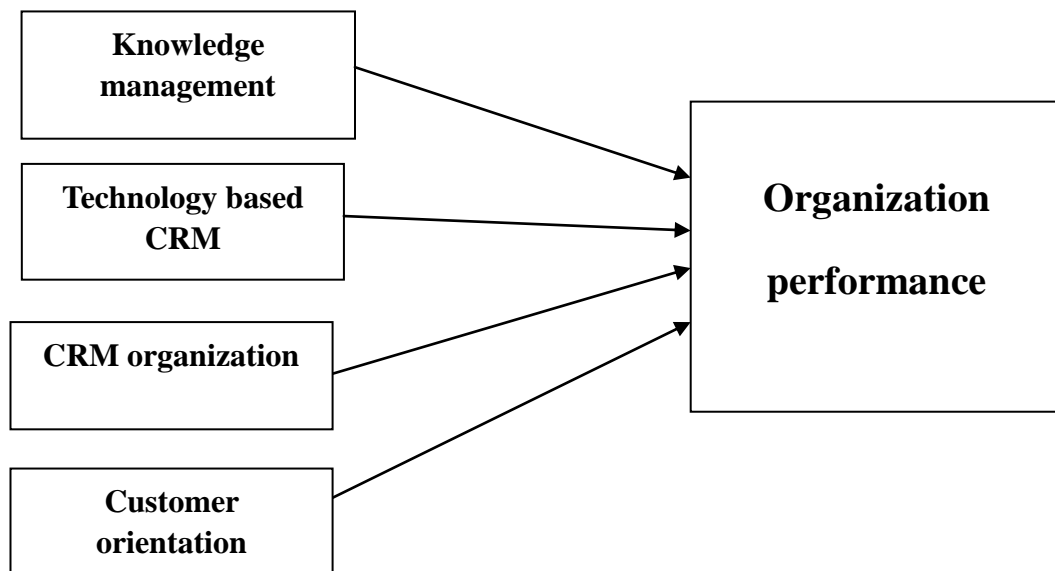
Figure3.1: Research Framework

Independent Variable:

Dependent Variable:

Customer relationship management practices

Organization performance



3.3 Research Design

This research is a descriptive research therefore quantitative data analysis will be used in the research. The main benefit of the descriptive research is to provide answers to the research questions.

The main purpose of this research is to investigate the relationship between knowledge management, technology based CRM, CRM organization, and customer orientation toward organization performance among small and medium size hotels in Langkawi. Besides, the research will also clarify the critical factors that influence the organization performance. Questionnaire will be used in order to accomplish the research objectives. Meanwhile, two types of data will be used in the research which is primary data and secondary data. Correlation study is used to examine the relationship between independent variables (refers to knowledge management, technology based CRM, CRM organization, and customer orientation) and the dependent variable (organization performance).

In this research the primary data will be collected from the managers of hotels. There are few ways to collect the primary data such as questionnaire and personal interview. However, for the business research, questionnaire was the common instrument that are being used to collect the primary data. This is because questionnaire involve all employees who working in the organization, therefore questionnaire is one of most popular instrument to collect primary data. In this

research, questionnaire will be used as main instrument to collect the primary data.

On the other hand, secondary data will also be used in the research. This is because secondary data provide useful information that can be used to support the primary data. Besides, secondary data also is derived from other researches and can provide it information.

3.4 Hypotheses Development

Intensive competition existed in many industries including hotel sector. In order to increase the organization performance in hotel industry especially small and medium size hotels, management needs to develop a suitable and appropriate method in order to increase the organization performance. Customer relationship management (CRM) is an effectiveness approach to improve organization performance in many sectors and industries such as retailing, financial sector, banking, small and medium size enterprises, tourisms and fashions industries. Therefore, CRM can be considering as one of the important method that can improve organization performance in the hotel industry. However, the success of CRM implementation depend on the organization itself in many aspect such as the culture, management team, philosophy, vision and technology. Therefore, different industry needs to choose appropriate CRM practices. For this research, the main purpose is to examine the effect of CRM practices toward the organization performance focusing on the small and medium size hotels in Langkawi only. Besides, this study will examine existing practices contributed to organization development and performance. The objective of this study is to investigate the relationship between customer relationship management practice and organization performance among small and medium size hotels in Langkawi. The research framework was formulated based on a reviewing relevant literature. Consequently, the following research hypotheses were formulated for empirical investigation.

i. Relationship between knowledge management towards organization performance

This focus on knowledge management in the organization, investigating the impact of knowledge management that influence organization performance.

This is because knowledge management initiative ensure CRM success that finally has an effect on the organization performance. Hence, it is hypothesized that:

H1: There is a significant relationship between knowledge management and organization performance among small and medium size hotels in Langkawi.

ii. Relationship between technology based CRM and organization performance

The CRM success implementation is also depend on the technology. This is because technology will enable the company to customize it's service and product effectively with high quality but lower cost. However, the company must have appropriate technology system that helps in customer relationship in the business process. Consequently, with the appropriate technolgical system, it will be ensure CRM success and improve the organization performance. Thus, it is hypothesized that:

H2: There is a significant relationship between CRM technology and organization performance among small and medium size hotels in Langkawi.

iii. Relationship between CRM organization and organization performance

CRM organization is the variable that related with the company human resource management, company structure, company philosophy and resources allocation. Human resource is considered as vital in any strategy implementation. This is because even with good business model or strategy and, advance technology, it will be unable to perform well or achieve success without good human capital. Therefore, factors such as training, reward system and motivation will ensure them to involve in system implementation. This management philosophy increase employee ownship concept, and employee involvement will encourage organization decision making speed. This is because employee always stay in the first line of organization, sometime they have better understanding of organization problems. On the other hand, company structure and business process must also transformed to be in line with CRM implementation. Thus, it is hypothesized that:

H3: There is a significant relationship between CRM organization towards organization performance among small and medium size hotels in Langkawi.

iv. Relationship between customer orientation and organization performance

The term such as customer is always right and customer is the king have been generally agreed among researches. Therefore, business that emphasized customer oriented strategy always put their customer first. In order to maintain the good relationship with the customer, the company have to clearly determin customer demand, requirements and need to be able to satisfy them. The main purpose of the customer oriented strategy is to create customer loyalty and increase their satisfaction. All elements of customer orientation may influence CRM success and organization performance. Thus, it is hypothesized that:

H4: There is a significant relationship between customer orientation towards organization performance among small and medium size hotels in Langkawi.

3.5 Operational Definition and Measurement

The operational definition of the variables or constructs in this research is based on the research framework which is the independent variables and dependent variable. Items for the questionnaire were measured based on five points likert: 1= strongly disagree, 2= disagree, 3= not sure or natural, 4= agree, 5=strongly agree. Below is the table that show the rating scale:

Table 3.1: Five-Point Respondant Format

Strong disagree	Disagree	Moderate	Agree	Strong agree
1	2	3	4	5

Section A comprised of five questions on demographic data of the respondents. It consists questions regarding background and current working status of managers. Section B is about customer relationship management. It measures the level of customer relationship management practices in organization which focus on knowledge management, technology based CRM, CRM organization and customer orientation. It comprises of 23 questions. Section C is about organization performance which is internal process, customers, learning and growth perspective. This section has 13 questions.

Figure 3. 2:Layout of Questionnair

Section	Item	No.of Questions
A	Demographic	5
	• Gender	
	• Marital status	
	• Age	
	• Level of education	
	• Length of service	
B	Customer relationship management practises	23
	• Knowledge management	4
	• Technology based CRM	5
	• CRM organization	7
	• Customer orientation	7
	Organization performance	13
C	• Internal process perspective	5
	• Customer perspective	4
	• learning and growth perspective	4

Three measures in this study were adapted from three sources. Customer relationship management practises were adapted from Moreno and Melendez (2011); Sin et al. (2005) and, Yim et al. (2005). Organization performance measurement was adapted from Wu and Lu (2012). For the demographics information, questions were adapted from Arasd (2012).

Figure 3.3: Independent Variables Measurement

Variables	Number of items	Sources	
Knowledge management	4	Sin et al. (2005)	<ol style="list-style-type: none"> 1. My organization's employees are willing to help customers in a responsive manner. 2. My organization fully understands the needs of our key customers via knowledge leaning. 3. My organization provides channels to enable ongoing, two-way communication with our key customers and us. 4. Customers can expect prompt service from employees of my organization.

Technology based CRM	5	Yim et al. (2005)	<ol style="list-style-type: none"> 1. Organization has right hardware to serve its customers. 2. Organization has right software to serve its customers. 3. Organization's information systems are integrated across the different functional areas. 4. Individualized information about each customer is available at all contact points. 5. Organization is able to consolidate all information acquired about customers in comprehensive, centralized, up-to-date database.
<hr/>			
CRM organization	7	Sin et al. (2005)	<ol style="list-style-type: none"> 1. My organization has the sales and marketing expertise and resources to succeed in CRM. 2. Our employee training programs are designed to develop the skills required for acquiring and deepening customer relationships. 3. My organization has established clear business goals related to customer acquisition, development, retention, and reactivation . 4. Employee performance is measured and rewarded based on meeting customer needs and on successfully serving the customer. 5. Our organizational structure is meticulously designed around our customers.

-
6. Customer-centric performance standards are established and monitored at all customer touch points.
 7. My organization commits time and resources to managing customer relationship.
-

Customer orientation

7

Moreno and Melendez (2011)

1. Organization's business objectives are oriented to customer satisfaction.
 2. Organization closely monitors and assesses its level of commitment in serving customer needs.
 3. Organization's competitive advantage is based on understanding customer needs.
 4. Organization's business strategies are driven by objective of increasing value for customers.
 5. Organization frequently measures customer satisfaction.
 6. Organization pays great attention to after-sales service.
 7. Organization offers personalized products and services for key customers.
-

Figure 3.4: Dependent Variable Measurement

Variables	Number of items	Sources	
Internal process perspective	5	Wu and Lu (2012)	<ol style="list-style-type: none"> 1. Increase market share. 2. Increase operating efficiency. 3. Reduce customer complaint. 4. Improve the ability to retain old customers. 5. Improve the ability to confirm target customers.
Customer perspective	4	Wu and Lu (2012)	<ol style="list-style-type: none"> 1. Increase sales growth rate. 2. Satisfy needs of various types of customers. 3. Increase customer intention to purchase. 4. Increase customer satisfaction.
Learning and growth perspective	4	Wu and Lu (2012)	<ol style="list-style-type: none"> 1. Improve employee's problem-solving ability. 2. Improve employee's service quality. 3. Improve employee's intention to learn. 4. Effectively promote corporate culture.

3.6 Research Population

A research population is generally a large collection of individuals or objects that the research want to analysis in order to get the output (Uma & Roger, 2009). In this study, a survey was carried out amongst the small and medium size hotels managers in Langkawi based on the directory from Agoda.com and Malaysia Association of Hotels (MAH). Agoda.com is a fast growing online platforms with updated information about hotels in Asia Pacific region. According to the Agoda.com official website there are hundreds of thousands of listing hotels in more than 20 countries.

Furthermore, Agoda.com also been recognifed as a fast growth internet paltform in term of revenue. In addition, there are many travelers use Agoda.com as their main platform to make hotel reservation. According to the information from the Agoda.com, there are 238 hotels in Langkawi. However, the data included all categories of the hotels. Therefore, the small and medium size hotels only can be selected for the study. For the hotel that have 5 rooms and not more than 125 rooms are classifiy as the SMEs hotels (Yaacob & Yu, 2013; Sigala, 2005; Homme & Raymond, 2013). After identifying the hotels, there are only 80 hotels that can be categoried as small and medium size hotels. Therefore, the population for the study is 80 small and medium size hotels.

3.7 Sampling Data

Hotel that have 5 rooms and not more than 125 rooms are classify as the small and medium size hotels (Yaacob & Yu, 2013; Sigala, 2005; Homme & Raymond, 2013).

Base on Krejcie and Morgan (1970) matrix, there are 80 small and medium size hotels in Langkawi. Therefore the sample size for the study will be 66 hotels. However in order to get the higher return rate, the questionnaires will be distributed to all 80 hotels. The questionnaires will be send via postage.

3.8 Data Analysis Methods

Data analysis is considered as a curcial part of the research methodology. This is because by conducting the analysis on the data, it will become useful information that can help the researchers to test their hypotheses. Besides, data analysis also can help the researchers to transform the data into meaning diagrams that can give a clear explanation.

Correlation analysis and regression analysis are the basic analysis that will be used for data analysis. In this research, all the data will be anaylsis by using Statistical Package for the Social Sciences (SPSS) version 19.0. Generally, the analysis techniques that are used include descriptive and inferential data analysis.

3.8.1 Descriptive Statistics

Descriptive statistics was used in data analysis to describe and summarize the data to become meaningful. Generally, there are three things that used in descriptive statistics to analysis of the variable. In this study, frequency distribution will use to analysis the variable. In term of the central tendency, there are three parts that involved mean, mediam and mode. Lastly, standard deviation was be used to tets the relationship of the variable. If the standard deviation is high, the accuracny of the data is low.

3.8.2 Correlation Analysis

Correlation analysis is a measurement method that is use to examine the relation among two variables. Generally, researches use pearson correlation as their correlation measurement. Correlation coefficients is use to examine the data collected and also for hypothesis testing. The scale of the study will be used to describe the intensity of relationships between the dependent variable and independent variables. The values from the correlation coefficient will indicate the strength of the relationship. The values ranged from -1 to +1. Besides, the sign positive (+) or negative (-) show the direction and strenght of the relationship between two variables. If the result from the study show that -1, it shows that there is perfect negative relationship between both variables. However, if the result from the analysis show that +1, it shows that there is a perfect

positive relationship between both variables. If the result of the study is 0, it shows that there is no relationship between both variables.

Table 3.2: The Strength of Correlation

Value of correlation	Relationship between two variables
0.7-1.0 or -0.7- -1.0	very high correlation
0.5-0.7 or -0.5- -0.7	high correlation
0.3-0.5 or -0.3- -0.5	low correlation
0.0- -0.3 or 0.0-0.3	very low correlation

Sources: "Guilford Rule of Thumb" (Guilford, 1956) the strength of correlation

3.8.3 Regression analysis

Regression analysis is one of the important statistical techniques in social and sciences. The main objective of the regression analysis is to examine the relationship between a dependent variable and one or more independent variables. For example, the result from the linear regression analysis will show the relationship between single dependent variable and single independent variable.

For this study, multiple regression analysis was used to examine the relationship between independent variables and dependent variable due to four independent variables and one dependent variable in this study. For regression analysis, p-value for each item is to test the null hypothesis. However, if the coefficient is equal to 0, that means independent variables cannot influence dependent variable. In addition, if the p-value is below 0.05, that means the null hypothesis can be rejected. If the p-value is greater than 0.05, that means the independent variables do not have a significant relationship with dependent variable. On the other hand, Beta also decides the relationship between independent variables and dependent variable. If the beta score is high, which means independent variables have a stronger effect on dependent variable. If $\beta=0$, that means independent variable has no effect on dependent variable.

3.9 Summary

This chapter describes the methodology of this research. The main aspect of this chapter describes the research method to examine the relationship between independent variables and dependent variable. This chapter details the function of two types of research methods, which are descriptive statistics and inferential statistics. In addition, this chapter describes research framework, research design, and questionnaire development.

CHAPTER 4

RESULTS AND FINDING

4.1 Introduction

In this chapter discusses on the findings and results of the study. Statistical Package for Social Sciences (SPSS) version 19.0 was used to analysis the data. There are few sections in this chapter that will explain the result of the finding. Based on collected data from the survey questionnaire, the reliability test was conducted on the data. Second section, respondent demographic data was analysis using frequency analysis. The demographic data such as gender, education level, age and years of working will be taking into analysis. In third section, the level of customer relationship management practices among small and medium size hotels in Langkawi was analysed using descriptive analysis. Pearson correlation coefficient analysis results used to access the relationship between customer relationship management practices and organization performance was presented. Finally, the result of regression analysis was discussed.

4.2 Overview of Data Collected

In order to get the data from the respondents, researcher has sends out the questionnaires via postage. Firstly, the researcher identify the hotels address, telephone number, facsimile number and email address through some platform such as Agoda.com, MAH and hotels official website. Then, the researcher sends the questionnaires through the postage. Besides, the researcher also call to the hotels to inform them about the questionnaires. 80 questionnaires are being sent out via postage. Finally, 69 questionnaires were returned.

4.3 Reliability Analysis

Reliability analysis is to assess the measuring scale must be consistent to the construct. Below is the result of the reliability test for the study:

Table 4.1: The Reliability of Dependent Variable and Independent Variable

Reliability Statistics	
Cronbach's Alpha	N of Items
.897	7

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Knowledge management	22.7287	7.313	.631	.890
Technology based CRM	22.6215	7.280	.641	.889
CRM organization	22.8558	6.700	.695	.883
Customer orientation	22.6998	6.890	.712	.881
Internal process perspective	22.6708	7.006	.715	.881
Customer perspective	22.6396	6.629	.782	.872
Learning and growth perspective	22.5563	6.623	.732	.878

The results of the reliability test show that the cronbach's alpha for seven variables is 0.897, which is greater than 0.7. Therefore, the entire variables are accepted in this study. Besides, cronbach's alpha for all the independent variables (Knowledge management, Technology based CRM, CRM organization and Customer orientation) and dependent variables (Internal process perspective, Customer perspective and Learning and growth perspective) also have greater than 0.7. So the reliability is accepted for this study.

4.4 Demographic Analysis

4.4.1 Gender

The total respondents for this study are 69 hotel managers among the small medium size hotels in Langkawi. There are 61 male and 8 female. The result from the study show that 88.4% of the sample respondents are male and 11.6% of the respondents are female. From the result, it shows that there are higher percentage of male managers compare to female.

Table 4.2: Gender of Respondents

	Frequency	Percent
Male	61	88.4
Female	8	11.6
Total	69	100.0

4.4.2 Age

Table 4.3, it shows that the highest percentage of the respondents is between 31 years to 36 years that is 22 respondents (31.9%). Second highest is between 37 years to 42 years with 19 respondents (27.5%). This is followed by respondents' age between 43 years to 48 years is 17.4%, above 48 years old is 13% and 25 years to 30 years is 10.1%.

Table 4.3: Age of Respondents

	Frequency	Percent
25 year-30 year	7	10.1
31 year-36 year	22	31.9
37 year-42 year	19	27.5
43 year-48 year	12	17.4
above 48	9	13.0
Total	69	100.0

4.4.3 Marital status

For marital status, 57 respondents are already married that is 82.6%. On the other hand, the respondents who are still single with 12 respondents that is 17.4%. It shows that most of the respondents for this study are already married.

Table 4.4: Marital Status of Respondents

	Frequency	Percent
Married	57	82.6
Single	12	17.4
Total	69	100.0

4.4.4 Length of Service

Based on the result, it shows that the highest percentage for the length of service between 6 to 10 years is 56.5% with 39 respondents. This is followed by above 10 years of service which is 29% and, 3 to 5 years of service which is 14.5%.

Table 4.5: Length of Service

	Frequency	Percent
3-5 years	10	14.5
6-10 years	39	56.5
Above 10 years	20	29.0
Total	69	100.0

4.4.5 Education Level

For the education level, 42 respondents are the bachelor degree holders, which is 60.9%. Diploma holders has 25 respondents with 36.2% and , master degree with 2 respondents or 2.9%.

Table 4.6: Education Level

	Frequency	Percent
Master	2	2.9
Bachelor's degree	42	60.9
Diploma	25	36.2
Total	69	100.0

4.5 Mean and Standard Deviation Analysis

Mean is average value of items, Standard deviation is the average distance numbers lie from the mean. In this study, the mean for knowledge management is 3.7. It shows that knowledge from customer is helpful for most of the managers. Nevertheless, the range between minimum score and maximum score for knowledge management is big, between 1.6 and 4.6. This can further explain that the managers have different perspective on knowledge management. Technology based CRM have the highest mean that is 3.8. This means technology play an important role in customer relationship management. Meanwhile, the mean for CRM organization and customer orientation are 3.6 and 3.7 respectively.

Table 4.7: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Knowledge management	69	1.60	4.60	3.7333	.49784
Technology based CRM	69	2.50	5.00	3.8406	.49995
CRM organization	69	1.83	4.83	3.6063	.60901
Customer orientation	69	2.00	5.00	3.7623	.55230
Organization performance	69	2.20	4.83	3.8399	.49278
Valid N (listwise)	69				

Low: 1.0-2.33

Moderate: 2.34-3.67

High: 3.68-5.00

4.6 Correlation Analysis

The main function of correlation analysis is to measure the linear reliability strength between two variables. Generally, Pearson correlation is used for the analysis. Correlation is measured by correlation coefficient ρ , from “-1 to +1”. If the result shows “0”, it means there is no relationship between the two variables. If the result indicates that “-1”, it means there is a strong negative relationship between the two variables. Furthermore, if the result is “+1”, it means there is a strong positive relationship between two variables.

According to Guilford (1956) interpretation on the strength of correlation, the result from the table shows that all the four independent variables have a relationship with organization performance. The correlation value for knowledge management and organization performance is $r=0.557$ ($p \leq 0.01$), it means knowledge management has a positive correlation with organization performance. The correlation value for technology-based CRM and organization performance is $r=0.615$ ($p \leq 0.01$), it means technology-based CRM has a positive high correlation with organization performance. The correlation value for CRM organization and organization performance is $r=0.694$ ($p \leq 0.01$), it means CRM organization has a positive high relationship with organization performance. Lastly, the correlation value for customer orientation and organization performance is $r=0.697$ ($p \leq 0.01$), it means customer orientation has a high positive relationship with organization performance.

Table 4.8: Correlation between IV and DV

		Correlations				
		Knowledge management	Technology based CRM	CRM organization	Customer orientation	Organization performance
Knowledge management	Pearson Correlation	1	.651**	.473**	.489**	.557**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	69	69	69	69	69
Technology based CRM	Pearson Correlation	.651**	1	.405**	.455**	.615**
	Sig. (2-tailed)	.000		.001	.000	.000
	N	69	69	69	69	69
CRM organization	Pearson Correlation	.473**	.405**	1	.604**	.694**
	Sig. (2-tailed)	.000	.001		.000	.000
	N	69	69	69	69	69
Customer orientation	Pearson Correlation	.489**	.455**	.604**	1	.697**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	69	69	69	69	69
Organization performance	Pearson Correlation	.557**	.615**	.694**	.697**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	69	69	69	69	69

** . Correlation is significant at the 0.01 level (2-tailed).

4.6.1 CRM Practices and Organization Performance

The table below shows the result of the correlations between CRM practices and organization performance. The result shows that $r=0.835$ ($p \leq 0.01$). It indicated that CRM practices have very strong positive relationship with organization performance.

		Customer relationship management	Organization performance
Customer relationship management	Pearson Correlation	1	.835**
	Sig. (2-tailed)		.000
	N	69	69
Organization performance	Pearson Correlation	.835**	1
	Sig. (2-tailed)	.000	
	N	69	69

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.9: Correlations between CRM Practices and Organization Performance

4.7 Regression Analysis

Multiple regression analysis is used to analysis the relationship between independent variables (knowledge management, technology based CRM, CRM organization and customer orientation) and dependent variable (organization performance) presented in a model.

4.7.1 Regression Analysis on Coefficient of Determination (R Square)

Table 4.10: Model Summary (R Square)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 ^a	.681	.661	.28700

a. Predictors: (Constant), Customer orientation, Technology based CRM, CRM organization, Knowledge management

Coefficient of determination (R square) is a statistical method that measures or indicates the percentage of variance in one variable that can be explain or predicted by its relationship with another variable.

Table 4.10, $R=0.825$, in linear regression analysis, if the R score more than 0.5, it can be consider as critical which mean the independent variables influence the dependent variable, in this study, $R=0.825$ which is greater than 0.5. Therefore, it can describe, as there is relationship between independent variable and dependent variable. For the R Square value equal to 0.681. It means 68% of the four independent variables (knowledge management, technology based CRM, CRM organization and customer orientation) has impact on dependent variable

(organization performance). In other word, 68 percent of variance in organization performance can be explained by the independent variables where 32 percent of the variance is not explained by the model.

4.7.2 Regression Analysis of Coefficient

Regression analysis of coefficient test is used to test the coefficient between independent variables and dependent variable. Beta indicates which independent variable has contributed to dependent variable. If Beta=1, that means the independent variable has huge effect on dependent variable. If the significant level is below 0.05, which means the variable is significant.

Table 4.11: Regression analysis of Coefficients^a

Model	Coefficients			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	.438	.312		1.405	.165
Knowledge management	.030	.098	.030	.304	.762
Technology based CRM	.296	.094	.300	3.152	.002
CRM organization	.292	.074	.360	3.926	.000
Customer orientation	.293	.084	.329	3.507	.001

a. Dependent Variable: Organization performance

Based on the result coefficients for regression analysis, only three independent variables (technology based CRM, CRM organization and customer orientation) have significant influence organization performance. The p values for technology based CRM is 0.002, CRM organization 0.000 and

customer orientation 0.001. The p values of these three independent variables are below 0.05. Therefore, they have significantly influenced organization performance. However, the p value for knowledge management is 0.762 and is higher than 0.05, therefore, it is not significant.

Furthermore, the result also indicated that the customer relationship management practices which are technology based CRM ($\beta = 0.300$, $p < 0.05$), CRM organization ($\beta = 0.360$, $p < 0.05$) and customer orientation ($\beta = 0.329$, $p < 0.05$). It indicated that the three dimensions of CRM practices are significant influence on organization performance. Among three dimensions, CRM organization has high beta value at 0.360, which indicated the most important factor in influence organization performance. It can conclude that CRM organization is the critical factor in customer relationship management to influence the organization performance. It means when the CRM organization increase one units, it will increase 0.360 unit of organization performance.

4.8 Hypotheses Testing

Four hypotheses were formulated in this research. In this section, the result of the hypotheses test will be presented.

4.8.1 Hypotheses 1: There is a significant relationship between knowledge management towards organization performance among small and medium size hotels in Langkawi.

The results from correlation analysis indicated that there is a relationship between both variables. However, multiple regression analysis indicates there is no significant relationship between knowledge management and organization performance. This is because the P value of knowledge management is 0.762 and it is higher than 0.05. Hence, the hypothesis is rejected.

4.8.2 Hypotheses 2: There is a significant relationship between technology based CRM towards organization performance among small and medium size hotels in Langkawi.

The results from correlation analysis and multiple regression analysis indicate there is positive and significant between technology based CRM and organization performance among small and medium size hotels in Langkawi. This is because the person correlation value is 0.615. In this study, the model is significant ($p=0.002<0.05$). According to P value that show technology based CRM has effect organization performance. Hence, the hypothesis is accepted.

4.8.3 Hypotheses 3: There is a significant relationship between CRM organization towards organization performance among small and medium size hotels in Langkawi.

The result from correlation analysis and multiple regression analysis indicate there is a positive and significant relationship between CRM organization and organization performance among small and medium size hotels in Langkawi. The pearson correlation value is 0.694. In this study, the model is significant ($p=0.000<0.05$). According to correlation, P value and Beta value to show that CRM organization has an effect on organization performance. Hence, the hypothesis is accepted.

4.8.4 Hypotheses 4: There is a significant relationship between customer orientation towards organization performance among small and medium size hotels in Langkawi.

The results from correlation analysis and multiple regression analysis indicate there is positive and significant relationship between customer orientation and organization performance among small and medium size hotels in Langkawi. The person correlation value is 0.697. In this study, the model statistics is significant ($p=0.001<0.05$). According to P value and Beta value show that customer orientation has an effect on organization performance. Hence, the hypothesis is accepted.

4.9 Summary Hypotheses Results

Figure 4.1: Hypotheses Results

Hypothesis	Result
Hypotheses 1: There is a significant relationship between knowledge management towards organization performance among small and medium size hotels in Langkawi.	Rejected
Hypotheses 2: There is a significant relationship between technology based CRM towards organization performance among small and medium size hotels in Langkawi.	Accepted
Hypotheses 3: There is a significant relationship between CRM organization towards organization performance among small and medium size hotels in Langkawi.	Accepted
Hypotheses 4: There is a significant relationship between customer orientation towards organization performance among small and medium size hotels in Langkawi.	Accepted

4.10 Summary

The results and findings of the data analysis are presented in this chapter. The data was collected through questionnaire from 69 managers among small and medium size hotels in Langkawi.

In order to explain the first objective of the study, descriptive statistics, frequency, mean and standard deviation was used to analysis the data. The Mean of customer relationship management practices range are from 3.6063-3.8406. Based on the range, it is consider high level because it is within 3.68-5.00. Therefore, all the variables of customer relationship management are in high-level range. It mean small and medium size hotels in Langkawi has high level of customer relationship management

Correlation analysis and regression analysis was used to examine the relationship between independent variables and dependent variable. For correlation analysis, Pearson Correlation analysis was used to analysis the data. The Pearson Correlation, P value for all customer relationship management practices are above 0.5. It indicated that all the variables of customer relationship management have positive relationship with organizational performance. Regression analysis, which indicate R-value, Beta and significant level were used to evaluate between independent variables and dependent variable in order to test the regression model. The R-value of customer relationship management is 0.825. The result is higher than

0.5. However, three other independent variables have significant level that lower than 0.05, for technology based CRM, CRM technology and customer orientation. It means the three variables are significantly related to organization performance. The significant level of knowledge management is higher than 0.05, it is consider not significant.

CHAPTER 5

DISCUSSION, RECOMMENDATION AND CONCLUSION

5.1 Introduction

This chapter will discuss on hypotheses result. The recommendation will be suggest for future as a model. At the last part of the chapter, the limitation for the study will be discuss.

5.2 Discussion

This study examine the influence of customer relationship management on organization performance among small and medium size hotels in Langkawi. In this study, four variables of customer relationship management were used which is knowledge management, technology based CRM, CRM organization and customer orientation and their relationship with organization performance among small and medium size hotels in Langkawi. The results from analysis indicated that customer relationship management variables have positive relationship with organization performance. This is because the result indicated that technology based CRM, CRM organization and customer orientation are positively influence the organization performance among small and medium size hotels in Langkawi. Among the three

variables, CRM organization result indicated that it is a critical factor that influence organization performance.

There are a total of 69 respondents who comprises of 61 males (88.4%) and 8 females (11.6%). Furthermore, the length of service and education level is very important in order to ensure that the respondent have an experience in the hotel field and knowledge in managing the customer relationship. In this study, the highest percentage of length of service is within 6-10 years, which is 56.5%. While, the highest education level among the respondents was bachelor's degree holder with 42 respondents, which is 60.9%. The analysis indicated that most of the respondents have long working experience in the hotel industry.

In term of the knowledge management perspective, the mean value is 3.73 with the minimum value of 1.60 and maximum value of 4.60. From the result, it shows that most of the respondents agreed that knowledge management is important to manage the customer relationship. Mean score 3.73 is considered high because it is within 3.68-5.00, which is high level.

Furthermore, in term of the technology based CRM, the mean value is 3.84. The minimum value is 2.50 and the maximum value is 5.00. It indicated that most of the managers agree that technology is important to ensure customer relationship management success.

In addition, in term of the CRM organization perspective, the mean value is 3.60. While the minimum value is 1.83 and maximum value is 4.83. Mean value of CRM organization is considered low if compared to the mean value of knowledge management and technology based CRM. However, it is considered as moderate because it is between the range of 2.34-3.67. Therefore, the company should emphasize the effort in the CRM organization aspect since it is still one of the important variables in customer relationship management area.

Lastly, in term of customer orientation, the mean value is 3.76. The minimum value is 2.00 and maximum value is 5.00. The value 3.76 is also considered as high because it is within the range of 3.68 to 5.00. Form the results, it indicate that, customer orientation is still important because it is the income resources for the company. Therefore, the managers agreed that it is important to satisfy customer needs and wants.

5.3 Discussion on Research Objectives

5.3.1 Research Objective 1: To identify the level of customer relationship management practice among small and medium sized hotels in Langkawi.

There are four important variables in the customer relationship management in the study, which is knowledge management, technology based CRM, CRM organization and customer orientation. From the results of mean values and standard deviation indicating that the minimum value is 3.60 and the maximum

value is 3.84. Therefore, it can be concluded that three variables in customer relationship management among the small and medium size hotels in Langkawi have high mean values. These are knowledge management, technology based CRM and customer orientation because these values are within the range of 3.68-5.00 which is considered high. While there are only one variable that is considered in the moderate level which is CRM organization because it is within the range of 2.34-3.67, at moderate level.

Lastly, it can be conclude that the managers have the high level of customer relationship management among the small and medium size hotels in Langkawi. This is due to the high-level range that is between 3.68-5.00 for the three variables. That is knowledge management, technology based CRM and customer orientation. While CRM organization is in moderate level. Furthermore, technology based CRM is considered as the key factor in customer relationship management because it mean value is the highest among all the variables. Follow by the other factor, which is customer orientation (3.76), knowledge management (3.73) and CRM organization (3.60).

5.3.2 Research Objective 2: To identify the relationship between CRM practices and organization performance.

There are four independent variables i.e. knowledge management, technology based CRM, CRM organization and customer orientation and one dependent variable that is organization performance in this study. The results from the data

indicated that customer relationship management has positive significant relationship with organization performance among the small medium hotels in Langkawi. Table 4.9, it shows that Pearson Correlation value between the customer relationship management and organization performance is 0.835. It is consider as very high correlation relationship between the both variables based on the Guilford Rule of Thumb (1956).

On the other hand, there are four variables in the customer relationship management practices. Therefore, it is important to identify the pearson correlation values with organization performance. From the data analysis which show all the variables have relationship with organization performance. The Person Correlation value between knowledge management and organization performance is 0.557. It shows that there is a positive relationship with the organization performance. The Pearson Correlation values for the other three variables, which is technology based CRM, CRM organization and customer orientation show positive relationship with the organization performance. This is because Pearson Correlation values for the three variables is 0.615, 0.694 and 0.697. All the values are more than 0.5, which mean all the independent variables have the positive relationship with organization performance.

5.3.3 Objective 3: To identify the critical factors of CRM practices that have an influence on organization performance.

It is important to identify the critical factor of CRM that significantly improve the organization performance. Customer relationship management practices are comprised of a few variables. Even though there are only few variables and three variables that critically influence the organization performance. By identifying the critical factor it can help to increase and improve the organization performance effectively while reduce organization operation cost. The correlation analysis indicated that the four variables have a relationship with organization performance. Therefore, regression analysis used to identify the critical factor, which is the coefficient between several independent variables and dependent variable.

Table 4.11, the beta values for CRM organization is the highest among four independent variables, which is 0.360. CRM organization has significant relationship with organization performance, because the coefficient is positive 0.360 and significant at level 1%. If CRM organization increase one unit, the organization performance will increase 0.360 unit. In this study CRM organization score the highest beta, which indicated CRM organization is the most important factor in influence organization performance. Hence, in this study, CRM organization is the critical factor in CRM practices on organization performance.

5.4 Limitation of Study

In every study done by the researchers, there will be limitations. Therefore, this study also have several limitations. The limitations can be internal and external limitations.

First, the discussion will be on the questionnaire aspect. Questionnaire was used in this study as an instrument in order to collect the data. Generally, the 5 point Likert Scale that used by respondents to answer the question which is, Strongly disagree, Disagree, Moderate, Agree and Strongly agree. Respondents only choose either one in order to represent their perception without any subjective answer from them. For example, some respondents may not fully understand the meaning of the question will choose moderate, which is “3” as their answer. Therefore, it is very difficult for the researchers to identify whether the respondents understand the questions.

Besides, questionnaire has its own disadvantage especially in term of transfer the respondents' perception into number. This is because the entire question in the questionnaire may not fully represent the respondents' perception toward customer relationship management practices and organization performance. Since there are still many questions that can evaluate the relationship between customer relationship management and organization performance. Therefore, it is important to use both quantitative and qualitative study in order to get an comprehensive information.

Second, are the population and sample issues. In this study, small and medium size hotels in Langkawi are chosen to be the target research population although there are still many small and medium size hotels in Malaysia. Therefore, it cannot represent all the small and medium size hotels in Malaysia. This issue occurs due to the time constrain and huge expenses that is needed for the study.

Lastly, in this study only four variables of the customer relationship management practices were chosen. Although, there are still several variables in customer relationship management practices. Therefore, the four variables cannot fully represent the customer relationship management practices.

5.5 Suggestion for Future Study

Regarding the above limitations, there are several suggestions that can be refer for future study especially the study on the relationship between customer relationship management and organization performance in other industry.

In this study, the researcher only focuses on small and medium hotels size in Langkawi. Therefore, it is suggest that in future, researchers can implement the study in other area such as Pulau Pangkor, Melaka or other tourism destinations. Besides, researchers can also investigate the customer relationship management practices in other industry such as retailing, small and medium size enterprises, fashion, and fast food industries. This is because customer relationship management is now widely use by many industries.

Furthermore, researchers also can choose other variables among the customer relationship management in order to investigate whether there are relationships between variables. Besides, researchers can also investigate whether customer relationship management influence financial performance, customer satisfaction and marketing performance.

5.6 Recommendation

The main objective of the study is to investigate the level and relationship between customer relationship management and organization performance among small and medium size hotels in Langkawi. Based on the results from the data analysis, researcher proposes some recommendations.

First, from the data analysis it shows that customer relationship management has positive influence on organization performance. Therefore, the implementation of customer relationship management has the high correlation with organization performance. Meanwhile, the managers have to be more concern and take serious on managing customer relationship. This is because with the high level of customer relationship management implementation will enhance the organization performance directly. Besides, companies may choose other variables in customer relationship management practices that can improve and enhance organization performance.

Second, based on the correlation analysis, it indicated that four variables have positive correlation with organization performance. Therefore, managers need to understand the importance of knowledge management, technology based CRM, CRM organization and customer orientation in order to increase the organization performance. Knowledge management can help company to better understand the customer need based on the information gains from customers. Technology can be used to analysis the data that are collected from customer in order to translate it into

useful information. Furthermore, CRM organization also plays a critical role because employees of the company is the people that serve the customers. Therefore, they need to be trained based on the customer relationship knowledge in order to build the good relationship with the customers. In addition, customer orientation strategy is crucial for many companies because customers are the main sources of income and profit for the company. Hence, these four variables in customer relationship management are importation for organization development. However, there are several other variables in customer relationship management, the organization need to continuous coordinate their customer relationship management to suit for organization development.

Lastly, in order to be successful in implementing customer relationship management to enhance organization performance, the organization need to decide the suitable management methods for the organization. This is because there are many types of the management methods that can be used to improve organization performance. Therefore, the manager may look for suitable management philosophy for organization development.

5.7 Conclusion

This study was conducted by researcher in order to investigate the relationship between customer relationship management and organization performance among the small and medium size hotels in Langkawi. The data was collected by using the questionnaire survey. For the analysis data part, correlation and regression analysis were used to analysis the data collected from the respondents. Knowledge management, technology based CRM, CRM organization and customer orientation was selected as the variables for customer relationship management. The result of the study indicated that small and medium size hotels in Langkawi have high level of customer relationship management implementation. This is because the three variables of customer relationship management have positive relationship with organization performance, as CRM organization is the critical factor to influence the organization performance. Lastly, there are several recommendations being suggested by researcher for future study.

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APPENDIX

Appendix A



Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
Questionnaire

Dear Sir/Madam,

I am inviting you to participate in my research project entitled “Customer Relationship Management and Organization Performance among Small and Medium Size Hotels in Langkawi”.

The study aims to identify the relationship between customer relationship management and organization performance in your company. Please answer carefully and honestly all items, as it will directly influence the results of this research. All information provided **will be treated as private strictly confidential** for academic purpose only.

Thank you in advance for your time and cooperation

Yours sincerely

LEE CHOON TONG

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Instructions

Section 1: Demographic Profile

Section 2: Customer Relationship Management Practices

Section 3: Organization Performance

Section 1: Demographic profile

Please tick (✓) the appropriate box to answer the questions

1.1 Gender	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
1.2 Marital Status	Married	<input type="checkbox"/>	Single	<input type="checkbox"/>
1.3 Age	19-24	<input type="checkbox"/>	25-30	<input type="checkbox"/>
	31-36	<input type="checkbox"/>	37-42	<input type="checkbox"/>
	43-48	<input type="checkbox"/>	above 48	<input type="checkbox"/>
1.4 Level of Education	Master	<input type="checkbox"/>	Bachelor's Degree	<input type="checkbox"/>
	Diploma	<input type="checkbox"/>	Senior High School	<input type="checkbox"/>
	Secondary School	<input type="checkbox"/>	Others	<input type="checkbox"/>
1.5 Length of Service	0- 2 years	<input type="checkbox"/>	3-5 years	<input type="checkbox"/>
	6-10 years	<input type="checkbox"/>	above 10 years	<input type="checkbox"/>

Section 2: Customer Relationship Management Practices

No.	Factors	Strongly disagree	Disagree	Moderate	Agree	Strong Agree
Knowledge Management						
2.1	My organization's employees are willing to help customers in a responsive manner.					
2.2	My organization fully understands the needs of our key customers via knowledge leading.					
2.3	My organization provides channels to enable on going, two-ways communication with our key customers and us.					
2.4	Customers can expect prompt service from employees from my organization.					
Technology based CRM						
2.5	Organization has the right hardware to serve its customers.					
2.6	Organization has the right software to serve its customers.					
2.7	Organization's information systems are integrated across the different functional areas.					
2.8	Individualized information about each customer is available at all contact point.					
2.9	Organization is able to consolidate all information acquired about customers in comprehensive, centralized, up to date data.					
CRM Organization						
2.10	My organization has the sales and marketing expertise and resources to succeed in CRM.					
2.11	Our employee training programs are designed to develop the skills required for acquiring and deepening customer relationship.					
2.12	My organization has established clear business goals related to customer acquisition, development,					

	retention, and reactivation.					
2.13	Employee performance is measured and rewarded based on meeting customer needs and on successfully serving the customer.					
2.14	Our organizational structure is meticulously designed around our customers.					
2.15	Customer-centric performance standards are established and monitored at all customer touch points.					
2.16	My organization commits time and resources to managing customer relationship.					
Customer Orientation						
2.17	Organization's business objectives are oriented to customer satisfaction.					
2.18	Organization closely monitors and assesses its level of commitment in serving customer needs.					
2.19	Organization's competitive advantage is based on understanding customer needs.					
2.20	Organization's business strategies are driven by objectives of increasing value for customers.					
2.21	Organization frequently measures customer satisfaction.					
2.22	Organization pays great attention to after-sales service.					
2.23	Organization offers personalized products and services for key customers.					

Section 3: Organization Performance

No.	Factors	Strongly Disagree	Disagree	Moderate	Agree	Strongly agree
Internal Process Perspective						
3.1	Increase market share.					
3.2	Increase operating efficiency.					
3.3	Reduce customer complaint.					
3.4	Improve the ability to retain old customers.					
3.5	Improve the ability to comfirm target customers.					
Customer Perspective						
3.6	Increase sales growth rate.					
3.7	Satisfy needs of various types of customers.					
3.8	Increase customer intention to purchase.					
3.9	Increase customer satisfaction.					
Learning and Growth Perspective						
3.10	Improve employee's problem-solving ability.					
3.11	Improve employee's service quality.					
3.12	Improve employss's intention to learn.					
3.13	Effectively promote corporate culture.					

THANK YOU FOR YOUR COOPERATION

Appendix B

Frequencies

Statistics

Gender

N	Valid	69
	Missing	0
Mean		1.1159
Std. Deviation		.32250
Minimum		1.00
Maximum		2.00

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	61	88.4	88.4	88.4
Valid Female	8	11.6	11.6	100.0
Total	69	100.0	100.0	

Statistics

Age

N	Valid	69
	Missing	0
Mean		3.9130
Std. Deviation		1.19729
Minimum		2.00
Maximum		6.00

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25 year-30 year	7	10.1	10.1	10.1
Valid 31 year-36 year	22	31.9	31.9	42.0
Valid 37 year-42 year	19	27.5	27.5	69.6
Valid 43 year-48 year	12	17.4	17.4	87.0
Valid above 48	9	13.0	13.0	100.0
Total	69	100.0	100.0	

Statistics

Marital status

N	Valid	69
	Missing	0
Mean		1.1739
Std. Deviation		.38181
Minimum		1.00
Maximum		2.00

Marital status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	57	82.6	82.6	82.6
Valid Single	12	17.4	17.4	100.0
Total	69	100.0	100.0	

Statistics

Level of Education

N	Valid	69
	Missing	0
Mean		2.3333
Std. Deviation		.53321
Minimum		1.00
Maximum		3.00

Level of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Master	2	2.9	2.9	2.9
Valid Bachelor's degree	42	60.9	60.9	63.8
Valid Diploma	25	36.2	36.2	100.0
Total	69	100.0	100.0	

Statistics

Length of Service

N	Valid	69
	Missing	0
Mean		3.1449
Std. Deviation		.64797
Minimum		2.00
Maximum		4.00

Length of Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3-5 years	10	14.5	14.5	14.5
	6-10 years	39	56.5	56.5	71.0
	Above 10 years	20	29.0	29.0	100.0
	Total	69	100.0	100.0	

Statistics

Knowledge management

N	Valid	69
	Missing	0
Mean		3.7333
Std. Deviation		.49784
Minimum		1.60
Maximum		4.60

Knowledge management

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.60	1	1.4	1.4	1.4
2.60	1	1.4	1.4	2.9
2.80	2	2.9	2.9	5.8
3.20	4	5.8	5.8	11.6
3.40	11	15.9	15.9	27.5
3.60	11	15.9	15.9	43.5
3.80	16	23.2	23.2	66.7
4.00	8	11.6	11.6	78.3
4.20	8	11.6	11.6	89.9
4.40	3	4.3	4.3	94.2
4.60	4	5.8	5.8	100.0
Total	69	100.0	100.0	

Statistics

Technology based CRM

N	Valid	69
	Missing	0
Mean		3.8406
Std. Deviation		.49995
Minimum		2.50
Maximum		5.00

Technology based CRM

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2.50	1	1.4	1.4	1.4
2.75	1	1.4	1.4	2.9
3.00	4	5.8	5.8	8.7
3.25	4	5.8	5.8	14.5
3.50	9	13.0	13.0	27.5
3.75	21	30.4	30.4	58.0
4.00	12	17.4	17.4	75.4
4.25	6	8.7	8.7	84.1
4.50	6	8.7	8.7	92.8
4.75	4	5.8	5.8	98.6
5.00	1	1.4	1.4	100.0
Total	69	100.0	100.0	

Statistics

CRM organization

N	Valid	69
	Missing	0
Mean		3.6063
Std. Deviation		.60901
Minimum		1.83
Maximum		4.83

CRM organization

	Frequency	Percent	Valid Percent	Cumulative Percent
1.83	1	1.4	1.4	1.4
2.33	1	1.4	1.4	2.9
2.50	2	2.9	2.9	5.8
2.67	1	1.4	1.4	7.2
2.83	7	10.1	10.1	17.4
3.00	2	2.9	2.9	20.3
3.17	4	5.8	5.8	26.1
3.33	6	8.7	8.7	34.8
Valid 3.50	3	4.3	4.3	39.1
3.67	13	18.8	18.8	58.0
3.83	10	14.5	14.5	72.5
4.00	3	4.3	4.3	76.8
4.17	4	5.8	5.8	82.6
4.33	6	8.7	8.7	91.3
4.50	5	7.2	7.2	98.6
4.83	1	1.4	1.4	100.0
Total	69	100.0	100.0	

Statistics

Customer orientation

N	Valid	69
	Missing	0
Mean		3.7623
Std. Deviation		.55230
Minimum		2.00
Maximum		5.00

Customer orientation

	Frequency	Percent	Valid Percent	Cumulative Percent
	2.00	1	1.4	1.4
	2.40	2	2.9	4.3
	2.80	2	2.9	7.2
	3.00	4	5.8	13.0
	3.20	3	4.3	17.4
	3.40	3	4.3	21.7
	3.60	11	15.9	37.7
Valid	3.80	15	21.7	59.4
	4.00	8	11.6	71.0
	4.20	12	17.4	88.4
	4.40	5	7.2	95.7
	4.60	1	1.4	97.1
	4.80	1	1.4	98.6
	5.00	1	1.4	100.0
Total	69	100.0	100.0	

Statistics

Internal process perspective

N	Valid	69
	Missing	0
Mean		3.7913
Std. Deviation		.52293
Minimum		2.40
Maximum		5.00

Internal process perspective

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2.40	1	1.4	1.4	1.4
2.60	2	2.9	2.9	4.3
2.80	2	2.9	2.9	7.2
3.00	3	4.3	4.3	11.6
3.20	2	2.9	2.9	14.5
3.40	4	5.8	5.8	20.3
3.60	12	17.4	17.4	37.7
3.80	16	23.2	23.2	60.9
4.00	7	10.1	10.1	71.0
4.20	11	15.9	15.9	87.0
4.40	5	7.2	7.2	94.2
4.60	2	2.9	2.9	97.1
5.00	2	2.9	2.9	100.0
Total	69	100.0	100.0	

Statistics

Customer perspective

N	Valid	69
	Missing	0
Mean		3.8225
Std. Deviation		.57218
Minimum		2.25
Maximum		4.75

Customer perspective

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2.25	1	1.4	1.4	1.4
2.50	4	5.8	5.8	7.2
2.75	1	1.4	1.4	8.7
3.00	2	2.9	2.9	11.6
3.25	2	2.9	2.9	14.5
3.50	10	14.5	14.5	29.0
3.75	15	21.7	21.7	50.7
4.00	11	15.9	15.9	66.7
4.25	13	18.8	18.8	85.5
4.50	7	10.1	10.1	95.7
4.75	3	4.3	4.3	100.0
Total	69	100.0	100.0	

Statistics

Learning and growth perspective

N	Valid	69
	Missing	0
Mean		3.9058
Std. Deviation		.60345
Minimum		1.75
Maximum		5.00

Learning and growth perspective

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.75	1	1.4	1.4	1.4
2.75	4	5.8	5.8	7.2
3.00	2	2.9	2.9	10.1
3.25	1	1.4	1.4	11.6
3.50	10	14.5	14.5	26.1
3.75	14	20.3	20.3	46.4
4.00	15	21.7	21.7	68.1
4.25	8	11.6	11.6	79.7
4.50	5	7.2	7.2	87.0
4.75	6	8.7	8.7	95.7
5.00	3	4.3	4.3	100.0
Total	69	100.0	100.0	

Statistics

Organization performance

N	Valid	69
	Missing	0
Mean		3.8399
Std. Deviation		.49278
Minimum		2.20
Maximum		4.83

Organization performance

	Frequency	Percent	Valid Percent	Cumulative Percent
2.20	1	1.4	1.4	1.4
2.55	1	1.4	1.4	2.9
2.75	1	1.4	1.4	4.3
2.83	1	1.4	1.4	5.8
2.92	1	1.4	1.4	7.2
3.10	1	1.4	1.4	8.7
3.20	1	1.4	1.4	10.1
3.28	1	1.4	1.4	11.6
3.30	2	2.9	2.9	14.5
3.37	1	1.4	1.4	15.9
3.43	1	1.4	1.4	17.4
3.45	1	1.4	1.4	18.8
Valid 3.48	2	2.9	2.9	21.7
3.52	1	1.4	1.4	23.2
3.53	1	1.4	1.4	24.6
3.62	1	1.4	1.4	26.1
3.63	1	1.4	1.4	27.5
3.68	3	4.3	4.3	31.9
3.77	1	1.4	1.4	33.3
3.78	1	1.4	1.4	34.8
3.80	1	1.4	1.4	36.2
3.82	1	1.4	1.4	37.7
3.83	2	2.9	2.9	40.6
3.85	3	4.3	4.3	44.9
3.87	3	4.3	4.3	49.3
3.88	1	1.4	1.4	50.7

3.90	1	1.4	1.4	52.2
3.92	1	1.4	1.4	53.6
4.00	1	1.4	1.4	55.1
4.02	2	2.9	2.9	58.0
4.03	1	1.4	1.4	59.4
4.05	1	1.4	1.4	60.9
4.07	2	2.9	2.9	63.8
4.08	1	1.4	1.4	65.2
4.10	4	5.8	5.8	71.0
4.12	1	1.4	1.4	72.5
4.13	1	1.4	1.4	73.9
4.15	5	7.2	7.2	81.2
4.27	2	2.9	2.9	84.1
4.28	1	1.4	1.4	85.5
4.30	1	1.4	1.4	87.0
4.33	2	2.9	2.9	89.9
4.37	1	1.4	1.4	91.3
4.38	1	1.4	1.4	92.8
4.40	1	1.4	1.4	94.2
4.53	1	1.4	1.4	95.7
4.57	1	1.4	1.4	97.1
4.67	1	1.4	1.4	98.6
4.83	1	1.4	1.4	100.0
Total	69	100.0	100.0	

Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Knowledge management	69	1.60	4.60	3.7333	.49784
Technology based CRM	69	2.50	5.00	3.8406	.49995
CRM organization	69	1.83	4.83	3.6063	.60901
Customer orientation	69	2.00	5.00	3.7623	.55230
Organization performance	69	2.20	4.83	3.8399	.49278
Valid N (listwise)	69				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Knowledge management	69	1.60	4.60	3.7333	.49784
Organization performance	69	2.20	4.83	3.8399	.49278
Valid N (listwise)	69				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Technology based CRM	69	2.50	5.00	3.8406	.49995
Organization performance	69	2.20	4.83	3.8399	.49278
Valid N (listwise)	69				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CRM organization	69	1.83	4.83	3.6063	.60901
Organization performance	69	2.20	4.83	3.8399	.49278
Valid N (listwise)	69				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Customer orientation	69	2.00	5.00	3.7623	.55230
Organization performance	69	2.20	4.83	3.8399	.49278
Valid N (listwise)	69				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Customer relationship management	69	2.11	4.47	3.7338	.43033
Organization performance	69	2.20	4.83	3.8399	.49278
Valid N (listwise)	69				

Reliability

Case Processing Summary

		N	%
Valid		69	100.0
Cases Excluded ^a		0	.0
Total		69	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.897	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Knowledge management	22.7287	7.313	.631	.890
Technology based CRM	22.6215	7.280	.641	.889
CRM organization	22.8558	6.700	.695	.883
Customer orientation	22.6998	6.890	.712	.881
Internal process perspective	22.6708	7.006	.715	.881
Customer perspective	22.6396	6.629	.782	.872
Learning and growth perspective	22.5563	6.623	.732	.878

Reliability Statistics

Cronbach's Alpha	N of Items
.715	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Knowledge management	3.8399	.243	.557	.
Organization performance	3.7333	.248	.557	.

Reliability Statistics

Cronbach's Alpha	N of Items
.761	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Technology based CRM	3.8399	.243	.615	.
Organization performance	3.8406	.250	.615	.

Reliability Statistics

Cronbach's Alpha	N of Items
.809	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CRM organization	3.8399	.243	.694	.
Organization performance	3.6063	.371	.694	.

Reliability Statistics

Cronbach's Alpha	N of Items
.819	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Customer orientation	3.8399	.243	.697	.
Organization performance	3.7623	.305	.697	.

Reliability Statistics

Cronbach's Alpha	N of Items
.905	2

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Customer relationship management	3.8399	.243	.835	.
Organization performance	3.7338	.185	.835	.

Correlations

Correlations (Organization performance and customer relationship management)

		Organization performance	Customer relationship management
Organization performance	Pearson Correlation	1	.835**
	Sig. (2-tailed)		.000
	N	69	69
Customer relationship management	Pearson Correlation	.835**	1
	Sig. (2-tailed)	.000	
	N	69	69

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations (Organization performance and knowledge management)

		Organization performance	Knowledge management
Organization performance	Pearson Correlation	1	.557**
	Sig. (2-tailed)		.000
	N	69	69
Knowledge management	Pearson Correlation	.557**	1
	Sig. (2-tailed)	.000	
	N	69	69

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations (Organization performance and technology based CRM)

		Organization performance	Technology based CRM
Organization performance	Pearson Correlation	1	.615**
	Sig. (2-tailed)		.000
	N	69	69
Technology based CRM	Pearson Correlation	.615**	1
	Sig. (2-tailed)	.000	
	N	69	69

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations (Organization performance and CRM organization)

		Organization performance	CRM organization
Organization performance	Pearson Correlation	1	.694**
	Sig. (2-tailed)		.000
	N	69	69
CRM organization	Pearson Correlation	.694**	1
	Sig. (2-tailed)	.000	
	N	69	69

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations (Organization performance and customer orientation)

		Organization performance	Customer orientation
Organization performance	Pearson Correlation	1	.697**
	Sig. (2-tailed)		.000
	N	69	69
Customer orientation	Pearson Correlation	.697**	1
	Sig. (2-tailed)	.000	
	N	69	69

** . Correlation is significant at the 0.01 level (2-tailed).

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 ^a	.681	.661	.28700

a. Predictors: (Constant), Customer orientation, Technology based CRM, CRM organization, Knowledge management

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.241	4	2.810	34.116	.000 ^b
	Residual	5.272	64	.082		
	Total	16.512	68			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Customer orientation, Technology based CRM, CRM organization, Knowledge management

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.438	.312		1.405	.165
	Knowledge management	.030	.098	.030	.304	.762
	Technology based CRM	.296	.094	.300	3.152	.002
	CRM organization	.292	.074	.360	3.926	.000
	Customer orientation	.293	.084	.329	3.507	.001

a. Dependent Variable: Organization performance

Regression Knowledge Management

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.557 ^a	.310	.300	.41240

a. Predictors: (Constant), Knowledge management

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.117	1	5.117	30.088	.000 ^b
	Residual	11.395	67	.170		
	Total	16.512	68			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Knowledge management

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.783	.378		4.712	.000
	Knowledge management	.551	.100	.557	5.485	.000

a. Dependent Variable: Organization performance

Regression Technology Based CRM

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 ^a	.378	.369	.39150

a. Predictors: (Constant), Technology based CRM

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.243	1	6.243	40.731	.000 ^b
	Residual	10.269	67	.153		
	Total	16.512	68			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Technology based CRM

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.512	.368		4.112	.000
	Technology based CRM	.606	.095	.615	6.382	.000

a. Dependent Variable: Organization performance

Regression CRM Organization

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.694 ^a	.482	.475	.35721

a. Predictors: (Constant), CRM organization

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.963	1	7.963	62.407	.000 ^b
	Residual	8.549	67	.128		
	Total	16.512	68			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), CRM organization

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.813	.260		6.972	.000
	CRM organization	.562	.071	.694	7.900	.000

a. Dependent Variable: Organization performance

Regression Customer Orientation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.486	.479	.35578

a. Predictors: (Constant), Customer orientation

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.031	1	8.031	63.450	.000 ^b
	Residual	8.481	67	.127		
	Total	16.512	68			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Customer orientation

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.499	.297		5.046	.000
	Customer orientation	.622	.078	.697	7.966	.000

a. Dependent Variable: Organization performance

Regression Customer Relationship Management

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.835 ^a	.696	.692	.27351

a. Predictors: (Constant), Customer relationship management

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.500	1	11.500	153.733	.000 ^b
	Residual	5.012	67	.075		
	Total	16.512	68			

a. Dependent Variable: Organization performance

b. Predictors: (Constant), Customer relationship management

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.272	.290		.938	.352
	Customer relationship management	.956	.077	.835	12.399	.000

a. Dependent Variable: Organization performance