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1.1 INTRODUCTION

Hospitality as a part of tourism industry, offers food, drink, shelter and other related services to the people who are away from home as well as to the local residents. The main component of this industry is Hotels, Motels, Inns, Resorts and Restaurants. They provide necessary products and services to travelers with world class amenities and excellent customer services through employees of an organization. It plays an important role in satisfying the human needs by safeguarding their belongings, quenching their appetite and enhancing self-esteem by fulfilling their life style needs with affection.

Customer Retention Management (CRM) is the activity that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. A company's ability to attract and retain new customers, is not only related to its product or services, but strongly related to the way it services its existing customers and the reputation it creates within and across the marketplace. Customer retention is more than giving the customer what they expect, it's about exceeding their expectations so that they become loyal advocates for your brand. Creating customer loyalty puts 'customer value rather than maximizing profits and shareholder value at the center of business strategy. The key differentiation in a competitive environment is often the delivery of a consistently high standard of customer service.

The hotel industry cannot survive without the customer because customers have more choices today and the targeted customers are most valuable for star hotels. Customer service and customer care must receive high priority within the hotel industry. CRM practices particularly in star hotels are very challenging. Merely installing and integrating software packages in star hotels cannot implement a successful CRM strategy. It needs to be coordinated with the business operations, strategy and employee and customer acceptance. If star hotels develop and sustain a solid relationship with their customers, their competitors cannot easily replace them and therefore this relationship provides for a sustained competitive advantage. CRM in star hotels is a key element that allows star hotels to develop their customer base and sales capacity. With the help of CRM, the star hotels can manage all aspects of customer interactions in a manner that enables star hotels to maximize profitability from every customer.

The hardest thing when dealing with the hotel industry is trying to actually measure up to the expectations when putting the standard barrier in the way a management service approaches things. However, if you have a team devoted and willing to exceed the limit to break down all the norms and values then this is the right step forward to be control of hotel customer satisfaction.

Companies that shift their focus to customer retention often find it to be a more efficient process because they are marketing to customers who already have expressed an interest in the products and are engaged with the brand, making it easier to capitalize on their experiences with the company. In fact, retention is a more sustainable business model that is a key to sustainable growth

1.2 STATEMENT OF THE PROBLEM

Customer retention management (CRM) is imperative to the success of today's hotel sector in Donegal, as it is more cost efficient to retain valuable customers than to gain new one's and in the current economic climate this is of high importance. The Donegal hotel sector currently implements CRM strategies that have been updated since the economic downturn. The most common CRM strategy used in the hotel sector is Customer Loyalty Programs, which theory suggests that in the hospitality sector Loyalty Programs are common. There is confusion of marketing in the Donegal hotel sector and a factor influencing this is the reductions in marketing budgets and that marketing personnel tend not to be marketing managers but rather owners and managers. Customer retention management has important elements in order to be effective.

1.3 OBJECTIVES OF THE STUDY

- To study importance of customer retention in hospitality industry.
- To study the customer retention strategy followed by hotel Vythiri Resort
- To study the influence of customer retention management of Vythiri Resport
- To study the satisfaction level of customer with the services provided by Vythiri Resort
- To make findings and suggestions based on the study

1.4 SIGNIFICANCE OF THE STUDY

Customer retention refers to the activities and actions companies and organization stake to reduce the number of customer defections. The goal of customer retention programs is to help companies retain as many customers as possible, often through customer loyalty and brand loyalty initiatives. It is important to remember that customer retention begins with the first contact a customer has with a company and continues throughout the entire lifetime of the relationship.

1.6 METHODOLOGY OF THE STUDY

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as paradigm theoretical model phases and quantitative or qualitative techniques.

A methodology does not set out to provide solutions, it is not the something as a method, set of methods or so called, “the best practices” can be applied to specific case for example, to calculate a specific result. The proper objective setting of the study is ensuring a specific result. Taking this objective into consideration, the methodology comprises the source of data, selection sample size and methods, questionnaire construction of data.

1.6.1 SOURCES OF DATA

Both primary and secondary sources of data were used together the data with regard to tourist and officials. Primary data include the method of gathering data with the help of questionnaire. Tourists and officials were administered the questionnaire at the study state. Several research references, such as journals, books periodical web references and data basis were also referred to understand the concepts, current trends, challenges, problems and development of tourism and aspects in relation with other key elements.

Selection of Sample size and sample method.

A convenient sampling method is adopted for the study. A total 50 tourist are interviewed with a structured questionnaire. Questionnaire distributed to the tourist and

travelers in the site area to collect the visitor experience and suggestions to improve the event management of Vythiri Resort.

1.6.2 SAMPLE SIZE

For the present research work a total of 50 samples have been collected from the the employees of Vythiri Resort, Kannur

1.6.3 QUESTIONNAIRE CONSTRUCTION.

Questionnaire is considered a research instrument used to capture the best data from the field after the preliminary field works. Survey and review of literature. A well-structured questionnaire was prepared.

The questionnaire was designed for the employees of Vythiri Resort.

1.6.4 DATA ANALYSIS AND INTERPRETATION

After the primary data is collected the data is coded and filtered and finally the 50 questionnaires from the tourist have been finally retained for data anlaysis. The selected data is coded and feuded in Microsoft Excel software and analyzed to get the output. Simple percentage method is used to get the output. And this data are to be converted into the graphs and diagrams.

1.7 LIMITATIONS OF STUDY

- Time allowed for the study was not sufficient.
- Only small sample was selected.
- Only a limited tools of analysis was used for the study.

1.8 CHAPTERIZATION

The project report layout has been outlined as below:

Chapter 1

Deals with the introduction of the study. The introduction chapter starts with a brief introduction about the topic. This chapter also included major objectives, significance and scope of the study in a systematic manner. The chapter also highlights the sources

of data collection method, sampling method, sample size, questionnaire design, pilot study and use of statistical tools.

Chapter 2

The second chapter contains review of literature. This chapter deals with the scholarly articles related with the project topic.

Chapter 3

This chapter deals with the overall functions and event management practices of Vythiri Resort hotel, Kannur. This chapter also discusses the importance of event management in hospitality industry.

Chapter 4

This chapter presents the analysis of Primary Data collected from the employees of Vythiri Resort

Chapter – 5

This is the final chapter which highlights various findings of the study in a systematic manner and the chapter also gives some recommendation to improve the event management practices of Vythiri Resort.