


Chapter 12

Alert-Driven Customer Relationship Management in Online Travel Agencies: Event-Condition-Actions Rules and Key Performance Indicators

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ABSTRACT

Currently, online travel agencies (OTA) allow their customers to make timely travel reservations anytime and anywhere through websites and mobile technologies. Customer service is vital to the success of any tourism and hospitality business, including online travel agencies. One major challenge that online travel agencies face is continuously declining customer experience because this may result in a high customer churn rate. Customer relationship management (CRM) is a strategy used by most organizations to increase customer lifetime value by selecting customers and maintaining their relationships. Delivering timely and consistently higher customer service levels are the goal of every OTA, and they need to evolve and implement a new approach to address customer issues proactively to increase customer retention and loyalty. This study analyzes some common CRM workflows of OTAs and proposes an alert-driven approach to CRM to enhance their effectiveness in creating satisfying customer experiences and retaining customers.

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INTRODUCTION

Due to technological advancement, online travel agencies (OTA) can succeed in today's travel industry with the increase in timely bookings, which is one of the most significant trends for 21st-century travelers (Chiu, Yueh, Leung, & Hung, 2009; Cheung et al., 2022). According to Research and Markets (2019), the global online travel agency market value was USD\$258 billion in 2018 and is forecasted to reach USD\$372 billion by 2023. The OTA market has matured over years of development, with increasing travel websites (Zhiliang & Lihua, 2015) and mobile technology usage (Gong et al., 2017). There is a trend of online and last-minute booking, even during travelers' trips, and travelers' information-seeking and booking behavior has changed in recent years (Ni et al., 2021), thus significantly affecting how travelers utilize the services provided by traditional travel agencies. Compared to previous travelers, 21st-century travelers are more independent and powerful, as most travelers can handle various bookings even during their trips, such as flight tickets, hotels, transportation, in-destination navigation, and post-vacation reviews (Gong et al., 2017; Ni et al., 2021).

Customer relationship management (CRM) can enhance the overall performance of an organization and is vital to its success (Vogt, 2011), especially upon significant changes in customer behaviors (Chiu et al., 2003). Past studies have reviewed the success and future of CRM and its facilitation with information systems. While some studies focused on the empirical aspects of CRM in hotels and airlines, scant studies focus on CRM implementation for OTA, especially through an alert management system (AMS). This study first analyzes some common workflow on customer relationship management in most online travel agencies and understands user requirements. To improve service delivery to customers and CRM, this study proposes some CRM implementation based on the concept of alert management and event-condition-action (ECA) rules (Chiu et al., 2003).

LITERATURE REVIEW

Customer Relationship Management

CRM is defined as a customer-focused business strategy integrating sales, marketing, and customer services (Chalmeta, 2006). CRM plays a vital role in creating and adding value to the organization and its customers, primarily enhancing the organization's overall performance (Vogt, 2011). To increase customers' lifetime value to the organization, CRM is a strategy commonly used for selecting customers and maintaining relationships with them (Al-Hazmi, 2021). The organization's

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