

SOCIAL MEDIA MARKETING AND CUSTOMIZED CUSTOMER RELATIONSHIP MANAGEMENT: THE IMPLICATION FOR MARKETING PERFORMANCE OF BUDGET HOTEL INDUSTRY

Roby Setiadi^{*)1}

^{*)}Universitas Muhadi Setiabudi

Jl. Pangeran Diponegoro No. KM2, Pesantunan, Brebes, Central Java 52212, Indonesia

Article history:

Received
10 April 2023

Revised
2 May 2023

Accepted
29 May 2023

Available online
15 September 2023

This is an open access article under the CC BY license (<https://creativecommons.org/licenses/by/4.0/>)



Abstract: The purpose of this research is to build a customized customer relationship management (CRM) model in relation to the utilization of social media marketing for improving marketing performance of budget hotels in West Java, Indonesia. Specifically, this research aims to empirically examine the influence of the utilization of social media marketing and customer database management on customized CRM and marketing performance. A total of 115 respondents consisting of general managers and marketing managers of budget hotels in West Java was selected as sample by using simple random sampling technique. By employing Structural Equation Modeling (SEM), the findings have found that social media marketing equipped with customer database management significantly affects the customization of customer relationship management (CRM). Furthermore, customized CRM has a significant effect on marketing performance of budget hotels. The findings highlight that social media enables hotel businesses to interact with customers on a one-to-one basis, which allows for a more personalized customer experience. By analyzing customers' social media behavior and interests, hotel marketers can tailor their marketing efforts to suit each customer's needs and preferences. With better customer data, budget hotel businesses can create targeted marketing strategies that effectively meet their customers' needs thereby enhancing their overall customer relationship management and marketing performance.

Keywords: budget hotel, customer relationship management, database management, marketing performance, social media marketing

Abstrak: Tujuan dari penelitian ini adalah untuk membangun model CRM (Customer Relationship Management) yang disesuaikan dengan penggunaan pemasaran media sosial untuk meningkatkan kinerja pemasaran hotel budget di Jawa Barat, Indonesia. Secara khusus, penelitian ini bertujuan untuk menguji secara empiris pengaruh penggunaan pemasaran media sosial dan manajemen database pelanggan terhadap CRM yang disesuaikan dan kinerja pemasaran. Sebanyak 115 responden yang terdiri dari manajer umum dan manajer pemasaran hotel budget di Jawa Barat dipilih sebagai sampel dengan menggunakan teknik simple random sampling. Dengan menggunakan Structural Equation Modeling (SEM), temuan menunjukkan bahwa pemasaran media sosial yang dilengkapi dengan manajemen database pelanggan secara signifikan memengaruhi penyesuaian CRM pelanggan. Selain itu, CRM yang disesuaikan memiliki pengaruh signifikan terhadap kinerja pemasaran hotel budget. Temuan ini menyoroti bahwa media sosial memungkinkan bisnis hotel untuk berinteraksi dengan pelanggan secara personal, yang memungkinkan pengalaman pelanggan yang lebih dipersonalisasi. Dengan menganalisis perilaku dan minat media sosial pelanggan, pemasar hotel dapat menyesuaikan upaya pemasaran mereka untuk memenuhi kebutuhan dan preferensi setiap pelanggan. Dengan data pelanggan yang lebih baik, bisnis hotel budget dapat menciptakan strategi pemasaran yang tepat sasaran yang efektif untuk memenuhi kebutuhan pelanggan mereka, sehingga meningkatkan manajemen hubungan pelanggan dan kinerja pemasaran secara keseluruhan.

Kata kunci: hotel budget, manajemen hubungan pelanggan, manajemen basis data, kinerja pemasaran, pemasaran media sosial

¹ Corresponding author:
Email: rsetiadi.umus@gmail.com

INTRODUCTION

Social media has become one of the most powerful and influential tools for marketers around the world (Öztamur & Karakadılar, 2014), including in hospitality sector (Leung et al. 2013; Minazzi & Lagrosen, 2013). It has brought in a new era of marketing and advertising through digital platforms (Truong & Simmons, 2010). In recent years, many researchers have analyzed the use of social media marketing (SMM) and its impact on various industries (Knoblich et al. 2017; Chatterjee & Kar, 2020; Kim & Ko, 2012; John et al. 2018). Some literature on SMM has focused on the effectiveness of using social media platforms to promote products or services, and how it can enhance brand awareness and customer engagement (Tsimonis & Dimitriadis, 2014; Pham & Gammoh, 2015; Widarmanti & Ramantoko, 2020). Also, several studies have explored the use of social media in various industries, from fashion (Kim & Ko, 2012) to healthcare (Gupta et al. 2013), and how marketers can create successful campaigns in these sectors.

According to Weinberg (2009), social media marketing is an excellent tool for businesses to reach and engage with their audience. Nielsen (2011) found that the majority of consumers (53%) said they use social media to connect with brands or products, 41% were more likely to buy from brands they follow on social media to get discount, and 32% of consumers were more likely to recommend a brand after a positive social media experience. Another study by Taher (2019) found that social media advertising and organic reach were the most effective digital marketing tactics for building brand awareness, customer acquisition, and engagement. The study showed a significant majority of marketers (93%) believe that their use of social media has helped to significantly enhance the visibility of their businesses. Additionally, a high percentage of respondents reported an increase in website traffic (87%), lead generation (74%), and sales growth (72%) resulting from their social media activities.. The use of influencer marketing has also been an interesting topic in recent literature, with many marketers turning to influencers to reach their target audience (De Veirman et al. 2017; Campbell & Farrell, 2020). A study by Santora (2023) revealed that the influencer business market experienced a growth from \$1.7 billion in 2016 to \$9.7 billion in 2020 and soared further to \$13.8 billion in 2021, suggesting a consistent and continuous advancement.

Moreover, social media has become a crucial tool in crisis communication for businesses (Civelek et al. 2016). Many companies have turned to social media during times of crisis to manage their reputation and communicate with stakeholders (Veil et al. 2011). A study by Forbes found that as misinformation and misleading news on social media are common, a vast majority of business leaders, about 98%, have confirmed the success of their crisis communications plan and around 77% of them have also rated the plan as highly effective (Segal, 2023). According to Kaplan and Haenlein (2010), social media marketing is a set of activities whereby organizations create, share, and exchange content that enhances their brand awareness, customer engagement, and retention. Social media marketing is founded on the premise of building relationships with customers through consistent content creation and interaction (Järvinen and Karjaluo, 2015). The utilization of social media marketing includes various activities such as social media advertising, content marketing, influencer marketing, and community building (Wang, Yu, and Wei, 2012). Social media advertising involves promoting products and services through the paid advertisement on social media platforms, while influencer marketing relies on social media influencers to promote products and services. Content marketing involves the creation and distribution of content that is informative, entertaining, and educational to the target audience, while community building involves engaging with customers on social media platforms.

Customer database capability is an important tool that businesses use to manage interactions with their customers. It provides a comprehensive view of all customers, their preferences and purchase history, and their interactions with the company. Shamim et al. (2019) noted that customer database capability enables businesses to track and manage customer information, improve customer targeting, and personalize communications with customers. Shamim et al. (2019) suggested that businesses that use customer database capability can improve their customer acquisition, retention, and revenue per customer. Nwankpa & Datta (2017) conducted a study on the impact of customer database capability on organizational performance. They found that companies with better customer database capabilities tend to have higher levels of customer satisfaction and loyalty, which in turn leads to higher revenue and profitability.

The importance of customized CRM (Customer Relationship Management) systems can be attributed to the fact that every business has unique customer needs, goals, and objectives. Therefore, using a one-size-fits-all CRM solution may not be the most effective approach to managing customer interactions. Customized CRM systems provide organizations with a tailored solution to meet their specific needs and improve customer relationships. While customized CRM systems offer numerous benefits, their implementation can also pose several challenges. Firstly, the process of creating a customized solution can be time-consuming and expensive, especially for small businesses. Secondly, integrating the system into existing infrastructure can be challenging and may require significant IT resources. Additionally, employees may resist the change and require training to use the new system effectively. The purpose of this research is to build a customized CRM model in relation to the utilization of social media marketing for improving marketing performance. In addition, this research aims to analyze the utilization model of social media marketing in order to enhance marketing performance. Specifically, this research endeavors to examine empirically the influence of the utilization of social media marketing and the impact of customer database management on customized CRM and marketing performance in the hotel sector in West Java.

METHODS

The population in this study is the general managers and marketing managers of budget hotels in West Java. The study was conducted from July to September 2022. The total sample of the study is 115 respondents consisting of general managers and marketing managers of budget hotels in West Java. The sampling technique used was by simple random sampling with Slovin formula with the data of budget hotels obtained from BPS (2021).

Primary data in this study is collected using a survey method that aims to collect information from respondents using a questionnaire containing a list of statements that are presented directly to respondents, namely General Managers of Budget hotels in West Java. The questionnaire in this study uses a closed statement format. The interval scale used in this study is 5-point Likert scale (Ferdinand, 2006). The data were then examined to determine the number of usable data for the research. Questionnaires were distributed to 150

general managers and marketing managers of budget hotels in West Java. This study distributed a total of 150 questionnaires to the respondents. Out of that number, 129 questionnaires were returned to the researcher. Screening showed a total of 14 questionnaires that did not meet the requirements, so after examination, it turned out that the number of usable data for the research was 115 respondents. The respondent data was then subjected to a screening test by conducting a deviation test and removing data that were in extreme positions while considering data sufficiency.

The sample size that must be met in this modelling is a minimum sample size of 100-200 respondents (Hair et al. 2006). To test the model and hypothesis, the research used SEM analysis. SEM analysis involves the use of statistical models to evaluate the relationships between different variables used in this study. In this case, the research used SEM analysis to test the influence of the utilization of social media marketing and the impact of customer database management on customized CRM and marketing performance in the hotel sector in West Java Province (Table 1). The researchers first developed a conceptual model that outlined the relationships between the different variables in the study (Figure 1). To conduct the SEM analysis, the research collected data from hotels in the West Java Province. The data included information about the hotels' social media marketing activities, customer database management practices, and marketing and CRM performance. The research used this data to calculate different statistical measures, such as path coefficients and goodness-of-fit statistics, to evaluate the relationships between the variables in the model.

Several studies have documented the impact of social media marketing on marketing performance. An and Kim (2015) found that social media marketing positively affects brand awareness, perceived value, and purchase intention. Additionally, Lim, Lee, and Park (2018) found that social media marketing influences customer engagement, which positively affects brand loyalty, customer satisfaction, and repurchase intention. Moreover, Alalwan, Dwivedi, and Rana (2018) revealed that social media marketing positively influences customer engagement, which subsequently impacts marketing performance, including brand loyalty, brand awareness, and purchase intention. Amarnani, Namba, and Li (2017) found a positive and significant association between social media marketing

and online sales performance.

- H1. Utilization of social media marketing has a positive and significant influence on customized CRM.
- H2. Utilization of social media marketing has a positive and significant influence on marketing performance.

Smith and McKeen (2014) found that data accuracy and completeness were critical factors in maximizing the value of customer data for CRM purposes. In addition to the benefits of effective customer database management, some studies have also highlighted the challenges and potential drawbacks. Wamba et al. (2015) found that while customer database management could improve CRM outcomes, it required significant resources and expertise to collect, manage, and analyze the data. Moreover, there were potential privacy concerns associated with collecting and storing personal customer data. One of the key benefits of customer database management is that it enables organizations to develop a more comprehensive understanding of their customers (Setiadi, 2019). By collecting data on customer behavior, preferences, and demographics,

companies can gain valuable insights into what drives customer satisfaction and loyalty. This information can then be used to develop personalized marketing campaigns that resonate with customers and improve engagement. Several studies have found a positive relationship between customer database management and marketing performance. Gartner (2022) found that companies that invest in CRM software typically see a 50% increase in customer retention rates. Another study by McKinsey found that companies that use data analytics to inform their marketing strategies typically achieve an ROI of 10–20% (Cardona, 2013). However, effective customer database management requires more than just the right tools and techniques. It also requires a focus on data quality, privacy, and security. Customers are increasingly concerned about how their data is being used and shared, and companies that fail to respect these concerns risk losing customer trust and loyalty.

- H3. Customer database management has a positive and significant impact on customized CRM.
- H4. Customer database management has a positive and significant impact on marketing performance.

Table 1. Variable operational definition

Variable	Operational definition	Indicator	Reference
Utilization of Social Media Marketing	Utilization of an internet-based interactive communication forum for marketing used by marketers in establishing relationships with customers.	pricing capability product development capability communication capability planning capability implementation capability.	Tarsakoo & Charoensukmongkol (2020)
Customer Database Management	An organized collection of comprehensive data on current individual customers and prospects that can be used to achieve marketing objectives	Knowledge exchange Routinizing Process integration Quality of database source	Shamim et al. (2019)
Customized CRM	Customized CRM is the degree of company strength in relation to consumers in the form of privileges of treatment, program specificity, information specificity and policy exclusivity.	Complaint resolution Customer empowerment Customer orientation	Alam et al. (2021)
Marketing Performance	A measure of the company's results obtained through marketing efforts	Sales volume growth. Sales value growth. Sales growth. Occupancy rate growth. Profit growth	Neirotti et al. (2014); Chen (2010)

Research has consistently shown that effective implementation of CRM can have a positive impact on marketing performance. Lin and Wu (2014) found that implementing CRM had a significant positive effect on customer satisfaction, trust, and loyalty, which in turn improved marketing performance. Other studies have found similar results. Chen and Popovich (2003) found that firms with high levels of CRM usage had significantly higher levels of customer retention, which led to increased marketing performance over time. Additionally, Krasnikov and Jayachandran (2008) found that effective implementation of CRM strategies led to increased customer lifetime value and improved marketing performance.

H5. Customized CRM has a positive and significant impact on marketing performance.

The mediating effect of CRM between SMM and marketing performance has been studied by several researchers. Zanjani et al. (2017) found that CRM partially mediates the relationship between SMM and marketing performance. The study highlights the importance of using social media to develop long-term relationships with customers through personalized and relevant communication. Chen and Chen (2017) found that CRM mediates the relationship between SMM and marketing performance. The study suggests that SMM can be used to gather customer information and preferences, which can then be used to improve customer retention and loyalty through personalized marketing campaigns.

Moreover, CRM has been found to play a mediating role between customer database management and marketing performance. Yim et al. (2013) examined the relationship between customer database management, CRM, and marketing performance in the context of customer loyalty programs. The results revealed that CRM mediated the relationship between customer database management and marketing performance, indicating that effective customer database management can lead to improved marketing performance through the implementation of CRM strategies. Alam et al. (2018) examined the mediating effect of CRM between customer database management and customer retention in the banking sector. The findings revealed that CRM mediated the relationship between customer database management and customer retention, highlighting the importance of effective customer database management in improving customer retention through the implementation of CRM strategies. Moreover, other studies have found that CRM plays a mediating role between customer database management and customer satisfaction (Chiu et al. 2013) and sales performance (Li et al. 2015). These findings highlight the importance of effective customer database management in fostering customer relationships and improving marketing performance through the implementation of CRM strategies of customization.

H6. Customized CRM mediates the relationship between social media marketing utilization and customer database management to improve marketing performance.

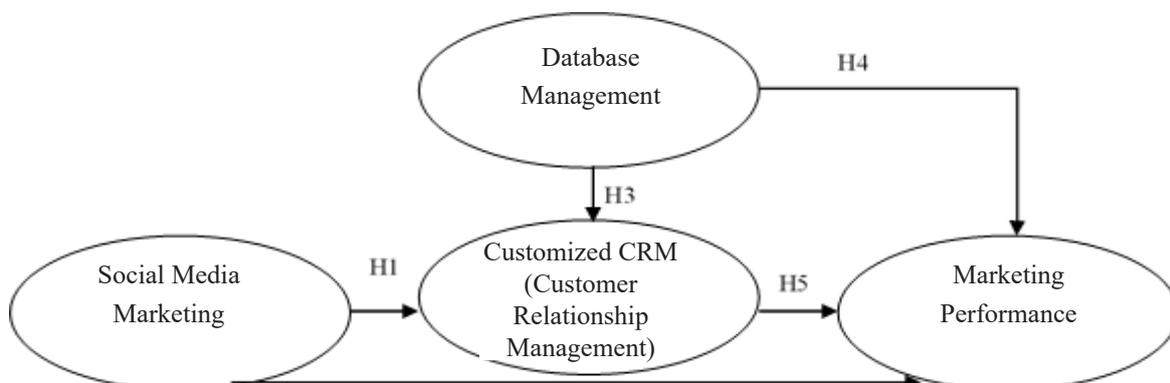


Figure 1. Theoretical Model

RESULTS

The data as shown in Table 2 shows that the respondents were fairly evenly split by gender, with 61 males (53%) and 54 females (47%). The majority of respondents (67 respondents or 58%) were between the ages of 26 and 40, while the remaining (48 respondents or 42%) were between 41 and 60 years old. In terms of position, 41% of the respondents or 47 persons were General Managers, and 59% were Marketing Managers (68 persons). When it comes to education, 86 respondents (75%) had an undergraduate degree, while 29 respondents (25%) held a Master's degree. Finally, there was a wide range of experience levels among respondents, with the majority of respondents (59 persons or 51%) having 6-10 years of experience, 17% or 19 respondents having 11-15 years, and 32% or 37 respondents having 16-20 years of experience.

Moreover, Table 3 presents the descriptive statistics for items of four variables related to Social Media Marketing, Customer Database Management, Customer Relationship Management, and Marketing Performance. For each variable, the table shows the sample size (N), the mean score, and the standard deviation (Std. Dev) of responses from a group of 115 respondents. The data showed that the respondents' attitudes toward Social Media Marketing (SMM) are relatively consistent, with mean scores ranging from 3.460 to 3.621 on a 5-point scale. The standard

deviations also suggest a moderate level of dispersion, with scores varying by approximately 0.68 to 0.71 points on average. Moreover, the items of Customer Database Management (CDM1 to CDM4) have mean values ranging from 3.478 to 3.598 and standard deviations ranging from 0.672 to 0.712. The items of Customer Relationship Management (CRM), which are identified as CRM1 through CRM5, have mean values ranging from 3.692 to 3.772 and standard deviations ranging from 0.677 to 0.733. Lastly, the descriptive statistics provide information on the Marketing Performance variable which is described by five items namely MP1, MP2, MP3, MP4, and MP5. The mean score for each item ranges from 3.491 to 3.661 indicating that the overall marketing performance is moderately good. The standard deviation for each item ranges from 0.678 to 0.733 suggesting that there is some variability in the performance across the items. Moreover, the results showed that Social Media Marketing has an AVE of 0.620, meaning it captures 62% of the variation in the construct it is measuring, and a reliability score of 0.747, indicating that it is a relatively consistent and accurate measure of the underlying factor. Similarly, Customer Relationship Management has an AVE of 0.626 and a reliability score of 0.753. Overall, these scores for all variables, namely Social Media Marketing, Customer Database Management, Customer Relationship Management, and Marketing Performance, suggest that the constructs are valid and reliable measures of the constructs they are intended to capture.

Table 2. Demographic characteristics of respondents

Demographics		Frequency	Percentage
Gender	Male	61	53.04
	Female	54	46.96
	Total	115	100
Age	26-40	67	58.26
	41-60	48	41.74
	Total	115	100
Position	General Manager	47	40.87
	Marketing Manager	68	59.13
	Total	115	100
Education	Undergraduate	86	74.78
	Master	29	25.22
	Total	115	100
Experience	6-10 years	59	51.30
	11-15 years	19	16.52
	16-20 years	37	32.17
	Total	115	100

Table 3. Descriptive statistics of variable

Item	N	Mean	Std Dev	AVE	Reliability
Social Media Marketing (SMM)				0.620	0.747
SMM1	115	3.585	0.691		
SMM2	115	3.607	0.706		
SMM3	115	3.460	0.678		
SMM4	115	3.531	0.695		
SMM5	115	3.621	0.674		
Customer Database Management (CDM)				0.599	0.832
CDM1	115	3.478	0.681		
CDM2	115	3.491	0.689		
CDM3	115	3.598	0.712		
CDM4	115	3.500	0.672		
Customer Relationship Management (CRM)				0.626	0.753
CRM1	115	3.719	0.733		
CRM2	115	3.723	0.687		
CRM3	115	3.692	0.698		
CRM4	115	3.772	0.706		
CRM5	115	3.710	0.677		
Marketing Performance (MP)				0.611	0.818
MP1	115	3.491	0.685		
MP2	115	3.545	0.733		
MP3	115	3.567	0.691		
MP4	115	3.719	0.706		
MP5	115	3.661	0.678		

Model testing in SEM aims to see the suitability of the model. Testing the feasibility of the full model is carried out in the same way as the Confirmatory Factor Analysis (CFA) test, testing the feasibility of exogenous and endogenous variable measurement models. Testing the model hypothesis shows that this model is in accordance with and or fit the data used in the study, as shown in Table 4.

The results of the analysis of data processing show that all the constructs used to form a research model, in the SEM full model analysis process meet the goodness of fit criteria that have been set. The probability value in this analysis shows a value above the significance limit that is equal to 0.078 or above 0.05, indicating that the proposed model can be accepted. Other model fit indices such as GFI (0.817), AGFI (0.773), TLI (0.968), CFI (0.972), RMSEA (0.038) provide sufficient confirmation for the acceptance of the unidimensionality hypothesis that the above indicators can reflect the latent variables being analyzed. The

full model output results from the Structural Equation Modeling (SEM) measurement model in this study (Figure 2 and Table 5).

The test results show that the parameter estimation of the influence of the use of social media marketing on customized CRM is a p-value of $0.027 < 0.05$, and $CR = 2.101 > 1.96$. This shows that the hypothesis can be accepted, meaning that the utilization of social media marketing has a positive effect on customized CRM. This shows that the variable utilization of social media marketing can increase customized CRM of budget hotels. Thus, the hypothesis is proven. The results also shows that a p-value of $0.012 < 0.05$, and $CR = 2.500 > 1.96$ in the influence of customer database management on customized CRM is. This shows that the hypothesis can be accepted. This means that customer database management has a positive effect on customized CRM. This shows that customer database management variables can improve customized CRM. Thus, the hypothesis is proven.

Table 4. Feasibility test results

Index	Cut Off Value	Analysis Results	Model Evaluation
Chi Square	< 279.287 (5%,242)	273.872	Fit
Probability	≥ 0.05	0.067	Fit
RMSEA	≤ 0.08	0.037	Fit
GFI	≥ 0.90	0.916	Fit
AGFI	≥ 0.90	0.937	Fit
TLI	≥ 0.95	0.966	Fit
CFI	≥ 0.95	0.971	Fit

Table 5. Regression weights hypothesis testing full model SEM

Regression Weights	Estimates	S.E.	C.R.	P
Customized Customer Relationship Management (CRM) → Social media marketing (SMM)	0.134	0.121	2.223	0.000
Customized Customer Relationship Management (CRM) → Customer database management (CDM)	0.275	0.120	2.612	0.000
Marketing performance (MP) → Social media marketing (SMM)	0.220	0.114	2.256	0.001
Marketing performance (MP) → Customized Customer Relationship Management (CRM)	0.231	0.141	2.931	0.000
Marketing performance (MP) → Customer database management (CDM)	0.532	0.119	5.234	0.000

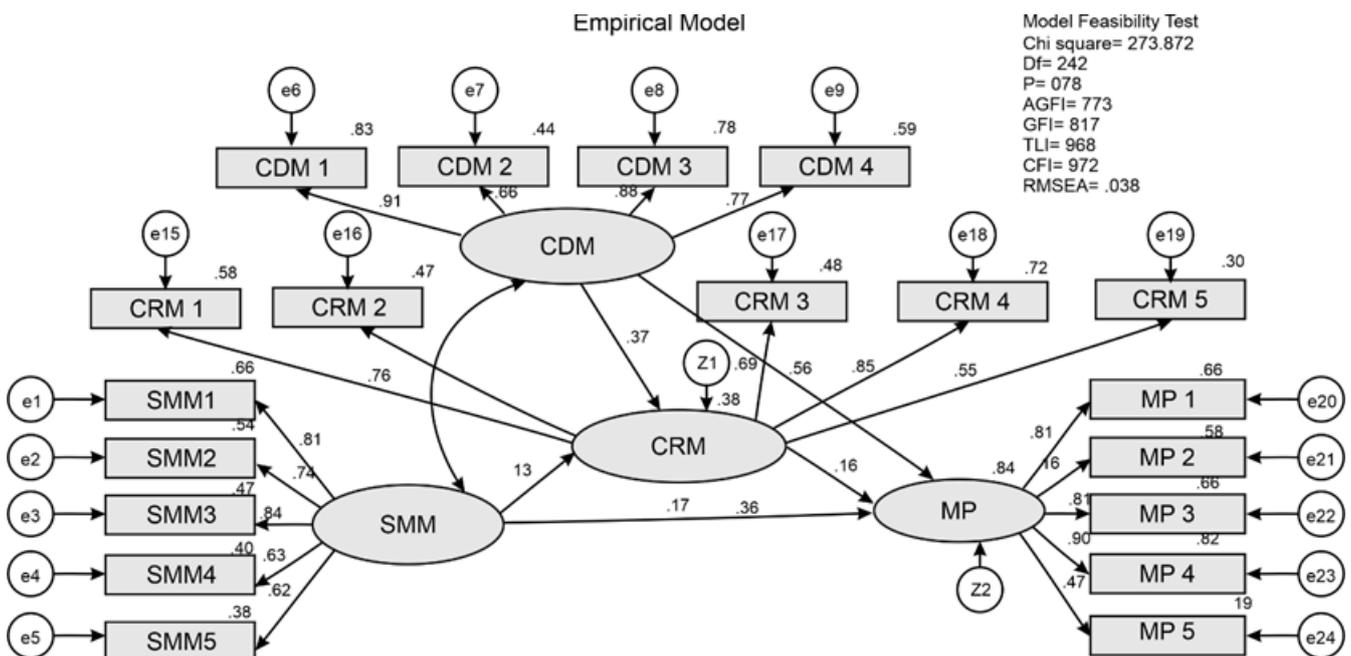


Figure 2. Full model

In examining the effect of customer database management on marketing performance, the analysis shows a p-value of $0.001 < 0.05$, and $CR = 5.359 > 1.96$. Thus, the hypothesis can be accepted. This means that customer database management can improve marketing performance at budget hotels. Thus, the hypothesis is proven. Furthermore, the test results show that the

parameter estimation of the influence of customer database management on marketing performance is a p-value of $0.001 < 0.05$, and $CR = 5.359 > 1.96$. This shows that the hypothesis can be accepted. This shows that customer database management variables can improve marketing performance at budget hotels. Thus, the hypothesis is statistically proven.

In examining the effect of Social Media Marketing on Marketing Performance, the results of statistical testing show a parameter estimate value of 0.198, CR of 2.137 with a p-value of 0.033 by using an alpha of 0.05. This means that the proposed hypothesis has strong support. This means that the better the utilization of social media marketing which include proactively capturing customers, intensively capturing customers, actively communicating with customers, increasing customer effectiveness and means of retaining customers if carried out properly will be able to increase marketing performance of budget hotels.

The results of the indirect influence of the path analysis as presented in Table 6 provide two main findings. Firstly, the indirect effect of the social media marketing on marketing performance through customized CRM found results that were greater than the direct effect of SMM on marketing performance of 0.231. This value was greater than the value of the direct effect of SMM on marketing performance of 0.188. This revealed that customized CRM is able to strengthen the effect of utilizing social media marketing on marketing performance. Secondly, the results of the path analysis of the indirect effect of CDM on marketing performance through customized CRM found results that were greater than the direct effect of CDM on marketing performance, which was 0.138. This value was greater than the value of the direct effect of CDM on marketing performance of 0.118. This means that customized CRM strengthens the effect of CDM on marketing performance.

Overall, the findings are consistent with previous studies which have found that effective Social Media Marketing and Customer Database Management is associated with improved CRM outcomes and marketing performance. Shih and Fang (2005) found that firms with more advanced social media marketing

along with customer database management systems were better able to tailor marketing strategies to individual customers and achieve higher levels of customer satisfaction and loyalty. Arora and Stoner (2009) found that firms that used customer database management to segment their customer base and target specific segments with personalized offers were more successful in retaining customers and generating sales. Kim and Song (2014) found that data quality had a significant positive effect on customer satisfaction and loyalty, whereas poor data quality could undermine CRM efforts.

Moreover, Almazmomi et al. (2022) argued that customer database capability can be a competitive advantage for businesses. They suggested that businesses can use customer data to create targeted marketing campaigns, improve product offerings, and enhance customer service. Companies that effectively use customer data to create a superior customer experience can establish a competitive advantage that is difficult for competitors to replicate. In a similar vein, Kushwaha et al. (2021) found that customer database capability can improve customer experience and trust, leading to increased customer loyalty and positive word-of-mouth recommendations (Yuan et al. 2020; Padma & Ahn, 2020). This suggested that customer database capability can improve brand image and reputation, which may lead to higher customer acquisition rates. Finally, Horng et al. (2022), Mandal (2018) suggested that customer database capability can be useful in improving supply chain management in hospitality sector. By tracking customer demand and behavior, businesses can optimize their inventory management and reduce supply chain costs. This can lead to higher profitability and competitive advantage for hotel business in using social media marketing for increasing sales in the marketplace.

Table 6. Direct-indirect effects

Relationship	Influence value calculation	Results
Utilization of Social Media Marketing → Customized CRM → Marketing Performance	0.534 x 0.433	0.231
Customer Database Management → Customized CRM → Marketing Performance	0.764 x 0.557	0.425

Managerial Implications

Customized CRM systems offer several benefits to organizations that use them. Firstly, they provide businesses with a competitive edge by enabling them to use customer data to make informed decisions, create personalized communications, and improve customer experiences. Secondly, these systems can enhance operational efficiency by automating processes and workflows, reducing manual errors, and freeing up time for more strategic tasks. Finally, customized CRM systems can increase customer loyalty and retention by allowing businesses to offer personalized products and services, resolve issues quickly, and provide exceptional customer service.

Customer database management is a critical process that helps businesses keep track of their customers' data. The customer database contains information about each customer, such as their name, address, phone number, email address, purchase history, and other relevant details. Businesses can use this database to analyze customer behavior patterns, anticipate customer needs, and deliver personalized services and promotions. According to research, businesses that effectively manage their customer databases can achieve higher customer satisfaction rates, increased customer loyalty, and better overall business performance. However, managing customer data can be challenging, especially if businesses have large and complex databases. To overcome these challenges, businesses need to use advanced data management tools and techniques, such as data mining, predictive analytics, and machine learning. Research shows that businesses that use customized CRM solutions can achieve greater efficiency and productivity, improved customer satisfaction, and stronger customer loyalty. Customized CRM solutions can be configured to automate routine tasks, such as data entry and record keeping, freeing up staff time for more complex customer interactions.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The findings showed that social media marketing and customer database management significantly affect customized CRM and marketing performance. The

findings also showed that customized CRM is able to increase the marketing performance in hotel sector. The findings highlight the significance of social media marketing and customer database management in achieving customized CRM and marketing performance. The study provides evidence that integrating social media marketing and customer database management strategies into CRM and marketing practices can result in a more personalized and efficient customer experience. The findings suggest that companies should continuously update their customer databases and leverage social media platforms to improve their understanding of customer needs and preferences.

Recommendations

Practically, the study's results suggest that companies should pay more attention in social media marketing and customer database management to improve their CRM and marketing efforts. The research highlights the importance of using customer data to design personalized marketing campaigns that resonate with target audiences. In this regard, companies can use social media platforms to collect customer feedback and data for better segmentation, personalization, and targeting. CRM systems can be integrated with social media platforms to ensure that customer interactions are seamless and efficient, resulting in a better customer experience.

As limitations, the study was based on a cross-sectional survey design, which does not allow making causal inferences. Another proposal would entail determining the applicability of the results from our study to various areas within the hospitality industry. This suggestion involves examining whether the findings of the research are applicable to other areas of the hospitality industry, beyond the specific sector that was studied. Future studies should focus on customer satisfaction at a hotel, generalizability would involve determining if the same factors that influenced satisfaction in that hotel would also apply to other types of accommodations. Lastly, future research could also investigate the role of other marketing tools such as email marketing, video marketing, and search engine optimization on customized CRM and marketing performance.

FUNDING STATEMENT: This research did not receive any specific grant from public, commercial, or not-for-profit funding agencies.

CONFLICTS OF INTEREST: The authors declare no conflict of interest.

REFERENCES

- Alam MMD, Karim RA, Habiba W. 2021. The relationship between CRM and customer loyalty: The moderating role of customer trust. *International Journal of Bank Marketing* 39(7):1248-1272. <https://doi.org/10.1108/IJBM-12-2020-0607>
- Almazmomi N, Ilmudeen A, Qaffas AA. 2022. The impact of business analytics capability on data-driven culture and exploration: achieving a competitive advantage. *Benchmarking: An International Journal* 29(4):1264-1283. <https://doi.org/10.1108/BIJ-01-2021-0021>
- Campbell C, Farrell JR. 2020. More than meets the eye: The functional components underlying influencer marketing. *Business horizons* 63(4):469-479. <https://doi.org/10.1016/j.bushor.2020.03.003>
- Cardona M. 2013. McKinsey research says better use of data can add \$200M a year to global marketing returns. <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/smart-analytics-can-tap-up-to-20-of-lost-roi> [December 19, 2022].
- Chatterjee S, Kar AK. 2020. Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India. *International Journal of Information Management* 53: 102103. <https://doi.org/10.1016/j.ijinfomgt.2020.102103>
- Chen MH. 2010. The economy, tourism growth and corporate performance in the Taiwanese hotel industry. *Tourism Management* 31(5):665-675. <https://doi.org/10.1016/j.tourman.2009.07.011>
- Civelek ME, Çemberci M, Eralp NE. 2016. The role of social media in crisis communication and crisis management. *International Journal of Research in Business Social Science* 5(3): 111-120. <https://doi.org/10.20525/ijrbs.v5i3.279>
- De Veirman M, Cauberghe V, Hudders L. 2017. Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude. *International journal of advertising* 36(5):798-828. <https://doi.org/10.1080/02650487.2017.1348035>
- Gartner. 2022. Gartner marketing survey finds only 14% of organizations have achieved a 360-degree view of their customer. <https://www.gartner.com/en/newsroom/press-releases/gartner-marketing-survey-finds-only-14--of-organizations-have-ac> [December 19, 2022].
- Gupta A, Tyagi M, Sharma D. 2013. Use of social media marketing in healthcare. *Journal of health management* 15(2):293-302. <https://doi.org/10.1177/0972063413489058>
- Hair J, Black W, Babin B, Anderson R, Tatham R. 2006. *Multivariate Data Analysis (6th ed.)*. Upper Saddle River, NJ Pearson Prentice Hall.
- Horng JS, Liu CH, Chou SF, Yu TY, Hu DC. 2022. Role of big data capabilities in enhancing competitive advantage and performance in the hospitality sector: Knowledge-based dynamic capabilities view. *Journal of Hospitality and Tourism Management* 51: 22-38. <https://doi.org/10.1016/j.jhtm.2022.02.026>
- Järvinen J, Karjaluohto H. 2015. The use of Web analytics for digital marketing performance measurement. *Industrial Marketing Management* 50:117-127. <https://doi.org/10.1016/j.indmarman.2015.04.009>
- John S, Larke R, Kilgour M. 2018. Applications of social media for medical tourism marketing: an empirical analysis. *Anatolia* 29(4):553-565. <https://doi.org/10.1080/13032917.2018.1473261>
- Kaplan AM, Haenlein M. 2010. Users of the world, unite! The challenges and opportunities of Social Media. *Business horizons* 53(1):59-68. <https://doi.org/10.1016/j.bushor.2009.09.003>
- Kim AJ, Ko E. 2012. Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand. *Journal of Business research* 65(10):1480-1486. <https://doi.org/10.1016/j.jbusres.2011.10.014>
- Knoblich S, Martin A, Nash R, Stansbie P. 2017. Keys to success in Social Media Marketing (SMM)—Prospects for the German airline industry. *Tourism and hospitality research* 17(2):147-164. <https://doi.org/10.1177/1467358415610415>
- Kushwaha AK, Kumar P, Kar AK. 2021. What impacts customer experience for B2B enterprises on using AI-enabled chatbots? Insights from Big data analytics. *Industrial Marketing Management* 98: 207-221. <https://doi.org/10.1016/j.indmarman.2021.08.011>
- Leung D, Law R, Van Hoof H, Buhalis D. 2013. Social media in tourism and hospitality: A literature review. *Journal of travel tourism marketing*

- 30(1-2):3-22. <https://doi.org/10.1080/10548408.2013.750919>
- Mandal S. 2018. Exploring the influence of big data analytics management capabilities on sustainable tourism supply chain performance: the moderating role of technology orientation. *Journal of Travel Tourism Marketing* 35(8):1104-1118. <https://doi.org/10.1080/10548408.2018.1476302>
- Minazzi R, Lagrosen S. 2013. Investigating social media marketing in the hospitality industry: Facebook and European hotels. In *Information and Communication Technologies in Tourism 2014: Proceedings of the International Conference in Dublin, Ireland, January 21-24 2014* (pp. 145-157). Springer International Publishing. https://doi.org/10.1007/978-3-319-03973-2_11
- Neirotti P, Raguseo E, Paolucci E. 2016. Are customers' reviews creating value in the hospitality industry? Exploring the moderating effects of market positioning. *International Journal of Information Management* 36(6):1133-1143. <https://doi.org/10.1016/j.ijinfomgt.2016.02.010>
- Nielsen. 2011. How social media impacts brand marketing. <https://www.nielsen.com/insights/2011/how-social-media-impacts-brand-marketing/>. [December 20, 2022].
- Nwankpa JK, Datta P. 2017. Balancing exploration and exploitation of IT resources: The influence of Digital Business Intensity on perceived organizational performance. *European Journal of Information Systems* 26: 469-488. <https://doi.org/10.1057/s41303-017-0049-y>
- Öztamur D, Karakadılar İS. 2014. Exploring the role of social media for SMEs: as a new marketing strategy tool for the firm performance perspective. *Procedia-Social and behavioral sciences* 150: 511-520. <https://doi.org/10.1016/j.sbspro.2014.09.067>
- Padma P, Ahn J. 2020. Guest satisfaction dissatisfaction in luxury hotels: An application of big data. *International Journal of Hospitality Management* 84: 102318. <https://doi.org/10.1016/j.ijhm.2019.102318>
- Pham PH, Gammoh BS. 2015. Characteristics of social-media marketing strategy and customer-based brand equity outcomes: a conceptual model. *International Journal of Internet Marketing and Advertising* 9(4):321-337. <https://doi.org/10.1504/IJIMA.2015.072885>
- Santora J. 2023. Key influencer marketing statistics to drive your strategy in 2023. <https://influencermarketinghub.com/influencer-marketing-statistics/>. [December 20, 2022].
- Segal E. 2023. Less than half of surveyed u.s. companies have a formal crisis communication plan: report. <https://www.forbes.com/sites/edwardsegal/2023/02/23/less-than-half-of-surveyed-us-companies-have-a-formal-crisis-communications-plan-report/?sh=34ddefe812ae>. [December 20, 2022].
- Setiadi R. 2019. Assessment of utilization of social media marketing for providing reliable information-based decision making for business service excellence in hotel sector. *Journal of Management Information & Decision Sciences* 22(4):1-8.
- Shamim S, Zeng J, Shariq SM, Khan Z. 2019. Role of big data management in enhancing big data decision-making capability and quality among Chinese firms: A dynamic capabilities view. *Information Management* 56(6):103135. <https://doi.org/10.1016/j.im.2018.12.003>
- Taher A. 2019. Facebook and instagram dominate social media marketing strategies | 2019 social media marketing industry report. <https://blog.digimind.com/en/trends/how-facebook-and-instagram-take-the-lead-on-social-media-marketing-a-social-media-marketing-practice-study>. [December 20, 2022].
- Tarsakoo P, Charoensukmongkol P. 2020. Dimensions of social media marketing capabilities and their contribution to business performance of firms in Thailand. *Journal of Asia Business Studies* 14(4):441-461. <https://doi.org/10.1108/JABS-07-2018-0204>
- Truong Y, Simmons G. 2010. Perceived intrusiveness in digital advertising: strategic marketing implications. *Journal of strategic marketing* 18(3):239-256. <https://doi.org/10.1080/09652540903511308>
- Tsimonis G, Dimitriadis S. 2014. Brand strategies in social media. *Marketing Intelligence Planning* 32(3):328-344. <https://doi.org/10.1108/MIP-04-2013-0056>
- Veil SR, Buehner T, Palenchar MJ. 2011. A work-in-process literature review: Incorporating social media in risk and crisis communication. *Journal of contingencies and crisis management* 19(2):110-122. <https://doi.org/10.1111/j.1468-5973.2011.00639.x>
- Wang X, Yu C, Wei Y. 2012. Social media peer communication and impacts on purchase

- intentions: A consumer socialization framework. *Journal of interactive marketing* 26(4):198-208. <https://doi.org/10.1016/j.intmar.2011.11.004>
- Weinberg T. 2009. *The new community rules: Marketing on the social web* (pp. I-XVIII. Sebastopol, CA: O'Reilly.
- Widarmanti T, Ramantoko G. 2020. Exploring brand positioning and hotel persona trough wom and content by text analysis. *Indonesian Journal of Business and Entrepreneurship (IJBE)* 6(3): 205-205. <https://doi.org/10.17358/ijbe.6.3.205>
- Yuan YH, Tsao SH, Chyou JT, Tsai SB. 2020. An empirical study on effects of electronic word-of-mouth and Internet risk avoidance on purchase intention: from the perspective of big data. *Soft Computing* 24: 5713-5728. <https://doi.org/10.1007/s00500-019-04300-z>