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Chapter · June 2022
DOI: 10.4018/978-1-6684-4168-8.ch008

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Chapter 8

Modelling Socio–Digital Customer Relationship Management in the Hospitality Sector During the Pandemic Time

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ABSTRACT

The chapter builds on previous research and offers an updated theoretical model to determine the relationships among social media technologies, customer experience flow, customer relationship management, brand loyalty, word of mouth, firm performance, and customer engagement across a set of moderators in pandemic time. In line with the literature, customer engagement serves as a mediator that fully translates the effects of social media technology, customer flow experience, and customer relationship management into positive levels of brand loyalty, word of mouth, and firm performance. However, all of the relationships conceptualized in the model are hypothesized to be moderated by COVID-19 developments and perceptions.

DOI: 10.4018/978-1-6684-4168-8.ch008
INTRODUCTION

This chapter focuses on customer relationship management (CRM) in the hospitality sector in the context of a sharp rise in digitization during the COVID-19 pandemic. CRM has become a strategic approach in business that is underlined by relationship marketing theory (RMT). CRM can be defined as the “process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer” (Parvatiyar & Sheth, 2001, p. 6). CRM can generate differentiation, address competition, and offer increased customer value (Dewnarain, Ramkissoon, & Mavondo, 2019; Foltean, Trif, & Tuleu, 2019). CRM’s technology-driven transformation is called social customer relationship management or SCRM or CRM 2.0 (Sigala, 2018). Accordingly, CRM has been renamed SCRM or CRM 2.0 (Hidayanti, Herman, & Farida, 2018; Sigala, 2018).

The recently coined term SCRM describes the new way of managing as well as developing relationships with customers (Dewnarain et al., 2019; Greenberg, 2010; Wang & Kim, 2017). Greenberg (2010, p. 50) define SCRM as a “business strategy of engaging customers through social media with the goal of building trust and brand loyalty”. The rise of social media has unfavourable impacts on the management of relationships with customers and has raised specific speculations regarding the application of theoretical concepts or/and traditional CRM models (Foltean et al., 2019; Harrigan, Soutar, Choudhury, & Lowe, 2015).

Turbulent markets and low brand loyalty are essential factors contributing to implementing CRM as the business strategy by the service-based firms (Rahimi, 2017; Saarijärvi, Karjaluoto, & Kuusela, 2013; Sigala, 2018). Customers are willing to get more value in purchases due to which firms are facing challenges of expanding their customers’ base because of the rising acquisition cost of customers, increase in price-sensitive customers, and higher customers’ expectations (Harrigan et al., 2015). The exposure of customers to various social media platforms such as Trip Advisor and Facebook has made them more sophisticated in their decision-making.

While the existing literature retraces well social-CRM’s evolution and its conceptualization, it fails to provide examples and a framework about the usage of social media for implementing the social-CRM’s strategy and meeting new customers’ needs (Dewnarain et al., 2019; Marolt, Pucihar, & Zimmermann, 2015). Owing to the limited understanding of the effective use of tools for social CRM (Marolt et al., 2015; Sigala, 2018), the firms may continue facing problems for successful implementation of social CRM (Dewnarain et al., 2019; Jami Pour & Hosseinzadeh, 2021; Torugsa & Yawised, 2019). This also implies in the context of hospitality as well as in tourism, where the CRM strategies and loyalty programmes of several firms are outdated and are not able to exploit new technologies to attract the Millennials (Bowen & Chen McCain, 2015; Sigala, 2018). In the contexts of hospitality and tourism, scholars have emphasized the essential need to study the dimensions of CRM as Web 2.0 technology has increasingly become an influential force for daily business operations (Dewnarain et al., 2019; Medjani & Barnes, 2021). Web 2.0 applications are specialist software that can help individuals create and disseminate online-based data (Natale & Cooke, 2020). Some popular applications of Web 2.0 can be blogs, podcasts and social networks, voice assistants etc. Due to social media’s growing place in the marketplace and their effects on key performance indicators (KPIs) such as customer flow experience and brand loyalty, social CRM has become a global trending topic in hospitality-related businesses (Munjal & Bhushan, 2021). The more significant usage of online review sites, including Trip Advisor and Holiday Check, as well as social networking domains has become a common practice among hotels where they invest large amounts of money in improving social interactions (Foltean et al., 2019; Garrido-Moreno, García-Morales, Lockett,
Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic

& King, 2018). However, customer engagement (CE) in hospitality contexts has drawn less attention, and future research is essential on CE’s antecedents for practitioners’ guides (So, Li, & Kim, 2019).

This study aims to reimagine previously hypotheses (Dewnarain et al., 2019) regarding implementing Social Customer Relationship Management (SCRM) effectively and hence achieving customer-based benefits, including brand loyalty, brand word-of-mouth, and organizational performance in pandemic time. More importantly, this study considers the relevance of the COVID-19 developments to the suggested framework, emphasising how pandemic-related experiences and perceptions enhance the benefits of the effectively implemented SCRM. Therefore, the current study makes a significant contribution to the emerging knowledge of SCRM by challenging pre-pandemic theoretical frameworks emphasising the increasing benefits of effective SCRM strategies due to COVID-19-related developments and perceptions in the context of the hotel service industry, which can aid hospitality managers in their decision-making regarding the adoption or implementation of effective post-pandemic SCRM strategy.

Background

Relationship marketing is aligned with the concept of developing the long-term relationship between the firms and their customers, which assist them in creating sustainable competitive advantage (SCA) (Chi, 2021; Kang & Lee, 2021). Thus, retaining the current customers and developing strong relationships with them is the most effective method in minimising the marketing cost compared to repeatedly seeking and getting new customers (Gashi & Ahmeti, 2021). In previous research, Frost, Fox and Strauss (2018) and Wang and Kim (2017) state that social media tools help companies create structural and social relationships with customers due to the value co-creation process, which results in increased customers’ retention. The current research pays attention to how COVID-19 perception can shape the integration of CRM strategy, social media, and customer flow experience can assist service-based firms, including hotels, in promoting customer engagement strategies, brand loyalty, information co-creation, and firm performance. The factors that act as drivers of CE and relevant benefits like positive word of mouth (WOM) and loyalty are discussed.

STUDY PROPOSITIONS AND THEORETICAL MODEL

Dimensions of CRM and Hotel Performance

The traditional CRM definition is still considered valid. However, owing to the widespread and rapid popularity of social media platforms for both customers and business markets, it is essential to consider further the traditional CRM view (Li, Larimo, & Leonidou, 2021). Reinartz, Krafft and Hoyer (2004, p. 295) define CRM as a procedure that “entails the systematic and proactive management of relationships as they move from the beginning (initiation) to end (termination), with execution across the various customer-facing contact channels”. Marketing researchers defined social CRM as “the integration of customer-facing activities, including processes, systems, and technologies, with emergent social media applications to engage customers in collaborative conversations and enhance customer relationships” (Trainor, 2012, p. 319). Not much scholarship has so far explored the association between CRM dimensions and the performance of hotels (Wang & Kim, 2017). Scholars have argued that the concept of relationship relies on the theory of resource-based view (RBV), which suggests that any firm can achieve
outstanding financial success by effectively managing its internal capabilities and resources compared to its rival firms (Harrigan et al., 2015). Mohammed and Rashid (2012) have proposed four dimensions of CRM, including customer orientation, firm competence, use of technology, and knowledge management, to interpret the conceptual relationships between CRM’s dimensions and hotel’s performances. These four dimensions are explained below.

Firm Competence

Firm competence is the crucial foundation of a worthwhile CRM project. The effective working environment of any firm supports customer-oriented behaviours to attain a sustainable competitive advantage. Mechinda and Patterson (2011) claim that transformational leadership and well-designed reward systems are evenly required in building customer-focused attitudes and/or behaviours. A firm’s employees directly interact with potential consumers. Thus, the service’ level delivered by employees is often revealed on social media through customers’ ratings, brand loyalty, and positive word-of-mouth. This shows the most significant role played by a leader in attaining the financial performance of the firm through employee engagement.

Customer Orientation

Although better segmentation of customers and customer orientation are essential to attain the firm’s objectives, customer orientation is one of the main challenges for service-based firms (Mahmoud, Grigoriou, Fuxman, Reisel, Hack-Polay, & Mohr, 2020; Mahmoud, Reisel, Fuxman, & Hack-Polay, 2021d). Similar to other service-based firms, the hotel sector has an intrinsic characteristic which is service providers’ inseparability from the customers (Mahmoud et al., 2021d). Firms’ employees have a significant contribution to building and maintaining long-term relationships with potential customers, who are considered as an essential part of the process of service production. Therefore, a customer-oriented strategy is perceived to have positive effects on marketing planning as well as the efficient implementation of innovations and marketing actions.

Technology

The CRM strategy’s success is based on the integration of modern technology along with the service orientation culture and employees’ capability to communicate the procedures of the firm’s operations (Saarijärvi et al., 2013). This reflects another vital dimension proposed by Mohammed and Rashid (2012): the technology-based CRM. Generally, the new technologies would operate as essential drivers for adaptations in the context of the hotel service industry. The utilisation of technology is essential in developing relationships with customers because it is crucial to attaining accurate information about people in a timely manner (Desmond & Zhaohao, 2021; Saha, Tripathy, Nayak, Bhoi, & Barsocchi, 2021). For example, if a consumer is allergic to nuts and the first individual from room service comes to know about this, then such information can be shared easily to several consumers touchpoints at the hotel through the effective system of CRM (cf Dew, Russell, Allen, & Bej, 2021). Many customer-based strategies may not be successful without the utilisation of most related information technology (Payne & Frow, 2005). Firms can employ new technologies like social media to create knowledge as well as to facilitate the value co-creation process (Ramkissoon & Uysal, 2018; Saarijärvi et al., 2013). With the
Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic

support of Web 2.0 technology, the new media would bring CRM to an entirely new dimension (Al-Omoush, Simón-Moya, Al-ma’a’itah, & Sendra-García, 2021; Saarijärvi et al., 2013).

Knowledge Management

The concept of CRM is incomplete without knowledge management. Knowledge is another necessary foundation of CRM (cf Migdadi, 2021); a firm’s values depend on producing better customers’ experience through data transformation from CRM systems into actual knowledge (Anshari, Almunawar, Lim, & Al-Mudimigh, 2019). In South Asia, for example, very few hotels are converting information related to customers to customer data and into competitive knowledge (e.g. Ramkissoon & Uysal, 2018) since most related hotels miss the opportunity to offer value to the customers in the form of co-creation of services or the development of a new product (Solakis, Peña-Vinces, & Lopez-Bonilla, 2022). Moreover, hotel competitiveness relies on customer relationship’s performance (Alnawas & Hemsley-Brown, 2019; Ofori & Appiah-Nimo, 2021; Salem, 2021). It has been observed that the key products in the industry, such as the lodging rooms, are similar in all hotel categories, whereby a hotel can compete effectively by using a one-to-one marketing strategy only. Indeed, firms that are better at converting the customer data into knowledge and then developing personalised relationships with their customers (Lindecrantz, Tjon Pian Gi, & Zerbi, 2020), are more likely to generate brand loyalty and attain and maintain outstanding profitability.

Social Media Technologies

The social-CRM is a new marketing domain, and researchers have initiated emphasising the boundary between social media and CRM (Itani, Krush, Agnihotri, & Trainor, 2020). Social media’s powerful technologies to increase CRM by involving customers in brand building and value co-creation are critical challenges for managers of the marketing field (Foltean et al., 2019). For managers to successfully deal with this challenge, understanding social media technologies and the effective utilisation of these technologies in CRM has become a central research topic. Kaplan and Haenlein (2010, p. 60) define social media (SM) as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of user-generated content”.

Existing studies generally emphasised the advantages and challenges of social media implementation, but employees’ roles and characteristics of firms have been often ignored (Colton, 2018; Schultz & Peltier, 2013). Charoenruangsakmongkol and Sasatanun (2017) investigated how social media network integration with CRM can be used to enhance business performance in the context of micro-enterprises in Thailand. These researchers claim that the absence of face-to-face communication can be overcome easily by communicating on social media platforms. This is very relevant to the hotel industry because time zones and geographic locations alienate the transactions that occur between customers and firms.

Social media network expansion is an excellent contribution towards the rapid-changing technology like Web 2.0 that is also producing a distinctive experience for the user (Dwivedi, Ismagilova, Hughes, Carlson, Filieri, Jacobson, Jain, Karjaluoto, Kefi, Krishen, Kumar, Rahman, Raman, Rauschnabel, Rowley, Salo, Tran, & Wang, 2021). The interaction opportunities of marketers with existing and potential customers on various social media platforms, including Instagram and Facebook, enable them to appeal to and retain customers in the CRM process (Dewanarain et al., 2019; Foltean et al., 2019). Indeed, new technologies and/or social media networks would act as essential drivers for the hotel industry changes.
after incorporating it into its CRM processes. It has also been pointed out that the relationship between CRM and social media technologies is the topic that is being under-researched in the context of the hospitality sector (Chan, Fong, Law, & Fong, 2018; Ho, Chen, & Shih, 2021; Rosário, 2021). The above findings lead to the development of the following proposition.

**Proposition One:** The social media technologies’ use positively impacts the CRM’s processes towards the hotel industry.

### Social Media Usage and Customer Engagement

Customer engagement is a relatively new advancement in CRM for a society where customers easily interact with other firms and customers via social media (Lim, Rasul, Kumar, & Ala, 2022). From a strategic standpoint, practitioners defined engagement as user experiences that “allow businesses to build deeper, more meaningful and sustainable interactions between the company and its customers or external stakeholders” (Sashi, 2012, p. 255). Customer engagement depends on creating relationships between customers and a firm and developing new and high-value relationships with customers (Alvarez-Milán, Felix, Rauschnabel, & Hinsch, 2018; Harrigan, Evers, Miles, & Daly, 2018).

Service firms report CE as essential amongst various particular advantages they expect from their existence on social media (Srivastava & Sivaramakrishnan, 2021). Growing attention in CE has imitated the continual Internet’s evolution as well as new digital technologies, and tools’ emergence has dubbed Web 2.0, mainly social media platforms like video sites like YouTube, microblogging sites like Twitter; blogs and wikis; and social networking sites like LinkedIn, MySpace, and Facebook (Tuten, 2020; Wang & Kim, 2017). The emergence of the concept of CE acknowledges the opportunities which are provided by the interactive aspects of tools and technologies of Web 2.0 in order to transform the relationship between customers and service providers/firms (Harrigan, Evers, Miles, & Daly, 2017; Wang & Kim, 2017).

Social media platforms have enabled a successful process of customer engagement. However, this is sparsely researched in the tourism and hospitality context. Most existing studies have focused only on using social media to achieve short-term sales objectives and have not assessed the influence of social media platforms on achieving brand loyalty (Harrigan et al., 2017; Ong, Lee, & Ramayah, 2018; So, Kim, & King, 2021; van Asperen, de Rooij, & Dijkmans, 2018). Social media serves as a method of reengineering business by allowing two-way communication between firms and consumers. This transformation in the traditional way of conducting the businesses would offer various opportunities and several challenges in the tourism and hospitality sector. More research is required to prepare industry practitioners to face this situation more efficiently. The focus of involving and connecting with customers in developing the value customers with a business will lead to loyalty and more prolonged customers willing to spend more money (van Asperen et al., 2018). A feeling of connectedness among customers towards a firm (e.g. hotel) can be generated through social media (van Asperen et al., 2018). However, only tiny hotel firms have come to know about the CRM’s benefits as the enabler of CE while incorporating with networks of social media (Castillo, Benitez, Llorens, & Luo, 2021; Dai & Wang, 2021; Dewnarain et al., 2019; Lee, Hong, Chung, & Back, 2020). Thus, based on the above literature, proposition two is proposed as below:

**Proposition Two:** Social media activities predict the levels of customer engagement.
CRM and Customer Engagement

Previous literature shows that the term ‘engagement’ is originated from the literature of psychology (Chen, Han, Bilgihan, & Okumus, 2021). Various scholars have suggested that engagement constitutes a cognitive, behavioural, and affective dimension in the field of marketing (Dessart, Aldás-Manzano, & Veloutsou, 2019; Ferreira, Zambaldi, & Guerra, 2020). Engagement is seen as a two-way interaction between subjects such as tourists, consumers and objects such as hotels brands (Jeong & Hyun, 2019).

Many studies have explored the definitions and developed conceptual frameworks to recognise CE’s antecedents and consequences (e.g. Harmeling, Moffett, Arnold, & Carlson, 2017). Gallup (2014) shows that highly engaged customers of any firm contribute 23% more for the share of wallet, income, profitability, and the growth of relationship compared to the hospitality sector’s average customer. Moreover, Fully engaged customers bring in 46% more revenue in the hospitality industry (Cognizant, 2018).

Social Customer Relationship Management (SCRM) highlights a firm capability to involve consumers in collaborative interactions as well as to improve close relationships with customers (Wang & Kim, 2017). In the hospitality industry, exploring the concept of CE serves as a challenge because it requires the participation of employees and traditional marketing practices’ alterations that focuses more on sales. According to Reinartz and Venkatesan (2008), the progress in the customer relationship is visible through many stages, including acquisition, growth, retention, and finally, win-back. Due to the growth of social media, hotel service providers got an opportunity to track the digital journey of customers as well as monitor the customer experience’ evolution with the brand/provider (Homburg, Jozić, & Kuehnl, 2017).

There are various kinds of consumers who interact with the brand or provider with the hotel business in their repeated journeys. The interactions which take place between the customers and hotel providers during the journey of purchase, i.e. pre-purchase, during purchase as well as post-purchase (Ramkissoon & Nunkoo, 2010), do produce valuable information at many touchpoints in the firm (Dew et al., 2021).

Various CRM strategies remained unsuccessful in the last decades because consumers’ check-outs used to be stored only in a database used for sending out the messages regarding promotions only (e.g. Payne & Frow, 2005). Such experiences’ accumulation may indicate a rapport’s evolution that the firm shares with its consumers and hotels would be required to review the strategies and resources to stay beside the evolving behaviour of consumers (e.g. Ramkissoon & Mavondo, 2015). Specified the present hype regarding social media’s platforms, the primary purpose of this study will be on exploring customer engagement via social media that has enabled activities of CRM in the hotel sector. Based on the above findings, proposition three is forwarded.

**Proposition Three:** The use of social media enabled CRM activities improves customer engagement.

Customer Flow Experience and Customer Engagement

The flow experience is critical in order to measure the degree and/or pleasure’s intensity and the consumers’ concentration all through their online experience (Kaur & Singh, 2007). As a result, flow is the unconscious experience in which the individual entirely focuses and enjoys the developing activity (Carvalho & Fernandes, 2018). In other words, consumers who experience flow are expected more to assume such experience as compelling and become more involved with brand/firm (Carlson, de Vries, Rahman, & Taylor, 2017; Obadá, 2013; Shim, Forsythe, & Kwon, 2015). Therefore, customer flow ex-
Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic

Experience can be considered customer engagement’s antecedent (Brodie, Hollebeek, Jurić, & Ilić, 2011; Carvalho & Fernandes, 2018). Based on the above, Proposition 4 is proposed:

**Proposition Four**: Customer flow experience on social media platforms positively predicts customer engagement.

**Brand Loyalty**

Loyal customers give little importance to alternatives and repetitively buy products/services from the same brand/firm (Akbari, Nazarian, Foroudi, Seyed Amiri, & Ezatabadipoor, 2021; Tanford, 2016; van Asperen et al., 2018; Wu, Ye, Zheng, & Law, 2021). They are likely to generate positive e-WOM and share positive experiences (Harrigan et al., 2017; Mahmoud, Ball, Rubin, Fuxman, Mohr, Hack-Polay, Grigoriou, & Wakibi, 2021a; Mahmoud, Hack-Polay, Grigoriou, Mohr, & Fuxman, 2021b; van Asperen et al., 2018).

Furthermore, CE in the industry of hospitality and tourism has revealed that the social interactions’ highest level through various web-based platforms such as Facebook, Twitter, and Instagram can significantly affect brand evaluations, trust, and loyalty (Arghashi, Bozbay, & Karami, 2021; Ibrahim & Aljarah, 2021; Zhong, Shapoval, & Busser, 2021). Since the use of social media has become an essential norm in certain tourism firms such as Lonely Planet, Expedia, and Travelocity, other networks of social media, including Booking.com, Airbnb, and Trip Advisor, may act as key influencers in the process of decision-making of customers (Leung, Bai, & Stahura, 2013; Siti-Nabiha, Nordin, & Poh, 2021). Although, the growth of social media has resulted in the new customer segment’s generation who are generally known as “social customers” or “hybrids” as they are likely to integrate both offline and online channels when making the purchases (Greenberg, 2010). Social media tools allow social interactions that provide a large amount of data to hotels. Online interactions with consumers cause user-created content before consumers arrive at the hotel (Bygstad & Presthus, 2013; Gligorijevic, 2016; Han & Lee, 2021; Santos, 2021; Zhang, Ye, Law, & Li, 2010). Hence, exchanging information between customers and hotel firms may guide to value’s co-creation that leads to brand loyalty. Proposition five is stated as below:

**Proposition Five**: The level of customers’ engagement of hotels on social media is positively related to brand loyalty.

**Customer Engagement and Word-of-Mouth**

Word-of-mouth (WOM) is a well-researched theme in the hospitality sector because of its capability to reduce the perceived risk linked with the purchase of the high engagement and intangible offerings (Dewnarain et al., 2019; Yen & Tang, 2015). Positive WOM communication covers all customers’ communications with members of their professional and social networks (Choi & Kandampully, 2019). Positive WOM is generally articulated by talking and/or e-mailing to friends, family members, colleagues, relatives, and nowadays because of the use of platforms of social media (Dewnarain et al., 2019). While replying to the question “where to stay”, the customer would turn to a family member, friend, travel agency, tour operator or internet by looking at travel sites or Trip Advisor, and this highlights the significance of WOM during the purchase process. On the one hand, Serra Cantallops and Salvi (2014, p. 41) define WOM as “informal, person to person communication between a perceived non-commercial communicator
Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic

and a receiver regarding a brand, a product, an organisation or a service”. Whereas electronic word of mouth (eWOM) is defined as “online reviews, online recommendations or online opinions, it has gained much attention with the emergence of new technology tools” (Serra Cantallops & Salvi, 2014, p. 45).

Due to the growth of customer opinion sites like Trip Advisor, word of mouth took the form of e-WOM as one-to-many communication occurs at extreme speed in a virtual atmosphere. As traditional WOM was dependent on face-to-face interaction, primarily e-WOM lost its integrity because of its loss of personal touch online. Individuals were unwilling to trust social media content posted by anonymous people (de Matos & Rossi, 2008). Although this hindrance was controlled with the emergence of social media platforms, which encouraged users to generate a profile earlier to communicate with other individuals, face-to-face interaction was restored. E-WOM can take the two forms in the shape of viral advertising that includes online videos which go viral because of its content and also through peer-to-peer’s sharing and the second one which is online customer reviews in which consumers share their opinions regarding services and products based on their experience which they observed personally (Belch & Belch, 2021).

Word of mouth is considered as one of the most crucial factors in the success of service firms, thereby the motivation of the present research to ascertain drivers of positive WOM behaviour. de Matos and Rossi (2008) suggested that customers who share a psychological connection with a brand/firm show higher commitments and are generally the best brand advocates. Thus, it is required to study whether the customers who are engaged with brands/hotel providers on social media platforms are more likely to suggest its services in the shape of positive word of mouth. This leads towards the development of proposition 6 as follow:

**Proposition Six:** The level of engagement of the hotel’s customers on social media is positively related to word of mouth.

**Customer Engagement and Firm Performance**

Social media technologies may assist firms in attaining three types of strategic goals: increasing loyalty, creating awareness regarding the brand, and increasing sales (Li et al., 2021). CE extends customers’ role by involving them in the process of value-adding as value’s co-creators. Due to the higher levels of CE on social media, firms can implement better interactive social media’s attributes to generate a good customer experience, better firm’s image, and more intentions towards future purchase (Kumar & Pan-sari, 2016). Practitioners have strived to employ social media to create long-term relational exchanges with higher emotional connections to enhance firms’ performances (Li et al., 2021; Sashi, 2012; Wang & Kim, 2017). In conclusion, CE has great strategic importance for leading towards the increased performance of firms. Therefore, CE is also a vital aspect which affects customer brand loyalty and firm’s performance. Based on it, proposition seven is proposed:

**Proposition Seven:** The level of engagement of the hotel’s customers on social media is positively related to the firm’s performance.

**COVID-19 Consequences and Perceptions**

COVID-19 virus is among the most significant environmental challenges in modern history (He & Harris, 2020; Mahmoud, Reisel, Hack-Polay, & Fuxman, 2021e). The pandemic caused rapid structural
and policy-related changes, with significant consequences across diverse social and economic matters (Bartik, Bertrand, Cullen, Glaeser, Luca, & Stanton, 2020). In response, companies and regulators have implemented a wide range of operating and strategic changes that affect people’s job security, career prospects, and consumer behaviour (Di Crosta, Ceccato, Marchetti, La Malva, Maiella, Cannito, Cipi, Mammarella, Palumbo, Verrocchio, Palumbo, & Di Domenico, 2021; Seetharaman, 2020). Specifically, organisations and governments have enacted restrictions to people’s mobility, implemented lockdowns, and enforced severe limitations on various types of social gatherings (BBC, 2020). While the challenges of the COVID-19 pandemic have translated into widespread consequences worldwide (Mahmoud, Hack-Polay, Reisel, Fuxman, Grigoriou, Mohr, & Aizouk, 2021c; Sönmez, Apostolopoulos, Lemke, & Hsieh, 2020), related effects have been particularly profound in select customer-facing industries, such as hotels, retail, and airlines (OECD, 2020). Furthermore, while the adaptation of web-based communication technologies, such as Zoom and WebEx, enhanced many companies’ ability to maintain operations, these same developments reduced the importance of face-to-face business meetings, the need for business travel, and, therefore, the demand for hotels and air travel services (BBC, 2020). Notably, some of the COVID-19-related changes are expected to become permanent, with long-lasting effects on work-related conditions, societal anxiety, and the structure of personal and commercial interactions (Mahmoud et al., 2021e).

The implications of these developments have been previously considered in the literature, indicating that pandemic-related lockdowns and restrictions to mobility increased consumer reliance on modern technology (Kumar, Gupta, & Srivastava, 2020; Mahmoud et al., 2021a), thus enhancing the significance of technology-based CRM. As noted earlier, the absence of face-to-face communication can be overcome by the effective utilisation of social media platforms (Charoensukmongkol & Sasatanun, 2017). Given the profound effects of the COVID-19 pandemic on the hospitality industry (OECD, 2020), the ability of hotel companies to develop and execute an effective SCRM strategy is particularly pertinent. Such a strategy should be both internal and client-oriented. Expressly, it should incorporate the development of internal reward systems designed to promote customer-focused employee behaviour (Mechinda & Patterson, 2011), as well as the implementation of tailored technology-based CRM tactics, such as interactive customer engagements via multiple social media platforms (Li et al., 2021). The development and implementation of an effective SCRM strategy are essential to hotel companies’ ability to evaluate customer preferences, build brand loyalty, and enhance the flow of relevant information among firms, existing consumers, and prospective clients (Harrigan et al., 2017; Ong et al., 2018; So et al., 2021; van Asperen et al., 2018). Accordingly, the development and implementation of such a strategy are essential to hotel companies’ efficacy in leveraging key resources and capabilities, mitigating the effects of the pandemic, and, therefore, attaining a sustainable competitive advantage. This leads towards the development of proposition eight as follows:

**Proposition Eight:** The consequences and perceptions of the COVID-19 pandemic moderate the perceived benefits of effectively-implemented SCRM in the hotel industry. These benefits include (1) higher levels of customer engagement, (2) increase in brand loyalty, (3) enhanced flow of knowledge via word-of-mouth interactions, and (4) improved firm-level performance.
Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic

Theoretical Model

Theoretical models are essential for the illustration and integration of synthesised knowledge as well as extant literature (Snyder, 2019). Therefore, conceptual modelling needs to encapsulate generic knowledge derived from different fields and offer support in diverse, multifaceted occasions. The aim of the proposed theoretical model (see Figure 1) is to amalgamate knowledge from various sources as well as to support the informed decision-making process while implementing SCRM within the hotel context. The model further incorporates the moderating effects of the COVID-19 pandemic on the SCRM framework.

The present research suggests a theoretical model (see Figure 1) to mention the relationships between social media technologies, customer relationship management, customer flow experience, brand loyalty, positive word of mouth, customer engagement, and firm’s performance. The proposed theoretical model comprises technologies of social media, CRM dimensions, and customer flow experience as three latent variables that represent the drivers of customer engagement. Furthermore, it represents brand loyalty, positive word of mouth and firm performance as engagement’s outcomes through social media platforms. Finally, the model illustrates the enhanced value of an effective SCRM strategy in the hospitality industry due to the consequences and perceptions of the COVID-19 pandemic.

Social media technologies facilitate companies to associate and communicate with current as well as potential customers. After following the literature review, it can be suggested that social media’s integration with customer relationship management and flow can increase customer engagement, which is vital to promote brand loyalty either in the shape of positive word of mouth or through repeat purchase and also builds firm’s performance. Customer engagement guides the value co-creation process, affecting customer relationship outcomes like brand commitment, advocacy, and profitability. The landscape of marketing communication is adapting, and digital customers are presently more empowered. The recommended study model has been adapted for this change in customers’ behaviour as well as to attend to consumers’ emerging needs.

Figure 1. The framework of social customer relationship management in pandemic time

Note. Illustrated based on the current study
SOLUTIONS AND RECOMMENDATIONS

In tourism and hospitality firms, the use of technology in CRM continues to have the orientation for the short-term in the shape of transactional relationships, particularly when customers are looking for value co-creation and engagement (Harrigan et al., 2017). The literature review offers opportunities by Social-CRM like value co-creation and collaboration, mainly in the context of manufacturing from the firm’s perspective (Solakis et al., 2022; Wang & Kim, 2017). Despite the studies’ proliferation on social media concerning the hotel industry, researchers argue that some doubts exist about the actual value added by the Web 2.0 technologies to service-based organisations (Garrido-Moreno et al., 2018; Mutimukwe, Kolkowska, & Grönlund, 2020). While the market frequently witnesses an increase in social media platforms like Facebook, Snapchat, and Instagram that are more picture-based, the social-CRM strategy foundation remains a customer-oriented emphasis. Besides, as this study suggests, employees can also play an essential role in the effective and/or successful Social-CRM strategy implementation. Currently, one of the crucial challenges faced by the hotel sector is the employees’ capability to derive meaning from structured as well as unstructured data accessible on social media networking platforms (Chan et al., 2018). Therefore, employees with analytical skills of sophisticated data can develop constructive insights, which are essential for the process of decision making, which is data-driven to attain a higher degree of satisfaction of customers that will be needed in future.

Regarding the outcomes of S-CRM’s performance, it is essential to note that most of the time, the hotel firms implement promotional tactics like redeemable points, discounts, and coupons to create the loyalty of customers (Farmania, Elsyah, & Tuori, 2021; Ramkissoon & Mavondo, 2015). Nevertheless, these loyalty programs and usage of sales promotion’s strategies do not often provide many benefits in the long run. The customers who wait only for price reductions to save money generally cannot be perceived as loyal because of their high tendency to switch brands. Although engagement’s level can promote brand loyalty in the shape of positive WOM, repurchase intentions or willingness to purchase (Mahmoud et al., 2021a; Ong et al., 2018), loyal customers are considered as brand evangelists who are also emotionally associated with the brand and are hence are not price-sensitive (Clement Addo, Fang, Asare, & Kulbo, 2021). Higher levels of customer engagement can generate brand-loyal customers who can pay more owing to the quality received through precedent interactions. Notably, the benefits of a well-designed SCRM strategy are magnified by the ongoing effects of the Covid-19 pandemic, with restrictions to people’s mobility, implemented lockdowns, and severe limitations on various types of social gatherings.

Prior studies in S-CRM’s field have commonly focused on components like culture, people, top management commitment, technology, and knowledge management as essential factors for CRM’s implementation (Rahimi, 2017). Nonetheless, the present study contributes to our knowledge of social-CRM strategy within the hospitality industry in several ways. First, this research adds to relation marketing theory (RMT) by investigating the drivers or antecedents and consequences or customer engagement’s outcomes on social media networks. Second, the present study identifies CE as a crucial factor of success for the customer as well as for the benefits of the firm that has been rarely mentioned in previous studies. Also, this research contributes value to engagement theories, marketing communication theory and online consumer behaviour. Third, the present study adds to the hospitality CRM research evolution in the shape of Social-CRM by considerably exploring and involving theories from various other disciplines like information technology and knowledge management. Finally, the study exemplifies an effective SCRM strategy’s enhanced value due to consequences and perceptions of the COVID-19 pandemic.
The present study adds to emerging customer engagement and customer engagement behaviour (CEB) management literature by examining types of CEBs (cf Azer & Alexander, 2020). CEB, as conceptualised in this study, also includes advocacy for services firms (e.g., word-of-mouth), which would promote a brand reputation for the firm.

FUTURE RESEARCH DIRECTIONS

The escalating popularity of adopting different social media platforms in CRM in the hospitality sector implies that future research is required to validate the proposed model empirically. Future research is needed to gain astute insights on customers, employees and managers. That would help the hoteliers monitor the inconsistencies between their expectations and the willingness of other stakeholders to support the efforts aimed for improved firm-customer relationships, leading to higher performance outcomes.

This study only takes into account a few essential factors in SCRM, social media, and customer engagement. Future scholars could integrate other elements into the framework. The theoretical framework focuses on the antecedents of CE (social media, CRM, and flow experience) and customer outcomes (WOM, brand loyalty, and firm performance). Therefore, future research can extend the framework by integrating dependent constructs like customer delight, satisfaction, and commitment. Finally, this study considers only one factor that moderates the relationships conceptualised in our SCRM model: ongoing COVID-19 developments and perceptions. Future researchers can expand this direction of inquiry by considering other potential moderating variables, such as customers’ gender or their generational cohort.

This paper provides a framework to deliver valuable theoretical and practical insights for hospitality practitioners and academics. Regardless of this paper’s limitations, it has integrated different SCRM and customer engagement themes to develop a conceptual framework based on pre-existing theories. It is widely acknowledged that theoretical framework testing includes adapting existing scales in management and marketing fields quantitative methods for data collection and analysis.

CONCLUSION

The present research adds to the tourism and hospitality practitioners understanding of the multifaceted nature of social-CRM (Dewnarain et al., 2019; Harrigan et al., 2017; Wang & Kim, 2017). This study proposes a theoretical model that combines the indicators of CRM effectiveness in social media, where customer engagement is crucial to attaining financial gains in the shape of customer loyalty and business performance. The model also incorporates the moderating effects of the COVID-19 pandemic on the value of an effectively designed social-CRM strategy. Hospitality and tourism practitioners can assess their online marketing strategy and CRM by reviewing the competitiveness of their firms concerning a variety of factors. Such factors relate to the working environment, customer orientation management process, technology-based CRM, and knowledge management processes and identify early the obstacles to investing resources on new CRM 2.0 technology.

Moreover, customers are no longer service-passive. The present study explores this change in customer behaviour in hospitality settings where social media have provided customers with platforms where they can co-create and communicate their experience through collaboration with service firms. The research identifies CE as an essential factor in the relationship between social media, CRM, firm performance,
Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic

WOM and loyalty. The innovative service experience of co-creation may lead to positive WOM, significantly reducing marketing expenditure and enhancing revenue. Furthermore, brand advocacy in the form of e-WOM can bring benefits in the shape of consumer confidence and trust.

Most firms seek loyal consumers emotionally attached to the brand because engaged consumers are likely to be risk-averse and be highly valuable for firm performance for a lifetime. However, a key variable that this conceptual model does not depict is negative WOM. The customer-company relationship does not necessarily create positive relationship outcomes in social media networks. However, hotel brand managers can undoubtedly learn from comments and posts on interactive platforms, whether the reviews are positive or negative. Managers can, consequently, make improvements in their product offerings, processes, and service delivery that can bring and help retain new customers. Finally, this research suggests an integrated theoretical framework that would assist hotel brand managers in making informed decisions regarding adopting a successful social-CRM strategy.

ACKNOWLEDGMENT

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic


Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic


188
Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic


Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic


Modelling Socio-Digital Customer Relationship Management in the Hospitality Sector During the Pandemic


**KEY TERMS AND DEFINITIONS**

**COVID-19 Perception:** The perceived probability of discomfort and/or worry, during the COVID-19 pandemic, concerning the pandemic adverse health, economic and social ramifications articulated as disruptions to the people’s pre-pandemic everyday life – lead to redefining of the everyday life to the “new normal.”

**Customer Engagement:** A user experience that allows businesses to build deeper, more meaningful, and sustainable interactions between the company and its customers or external stakeholders.

**Customer Relationship Management:** The process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer.

**Electronic Word of Mouth:** Online reviews, online recommendations, or online opinions have gained much attention with the emergence of new technology tools.

**Social Customer Relationship Management:** A business strategy of engaging customers through social media to build trust and brand loyalty.

**Social Media:** A group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation and exchange of user-generated content.

**Word of Mouth:** Informal, person-to-person communication between a perceived non-commercial communicator and a receiver concerning a brand, a product, an organisation, or a service.