

Evaluation of Approaches to e-CRM by SMEs in Tourism Sector and Studying Differences According to SME Characteristics

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Extensive Summary

SMEs are the most important and the inseparable part of economics, and they are the fastest growing market segment. SMEs operate on personal relations and customers, suppliers, workers and other shareholders with a strong focus. They are more flexible and adaptable than large companies in terms of response time and structure (Harrigan, Ramsey and Ibbotson, 2009, p. 444). Generally it is not possible for SMEs to execute an active and effective marketing like large companies, or they just cannot envisage that. However internet provides a new mechanism to SMEs in this respect, thus a solution is found to make up the difference (Harrigan, Ramsey and Ibbotson, 2012, p. 127). In other words, the role of internet technologies is quite significant in terms of forming a bridge on the competition gap between small and large companies.

Along with the increase in the studies made on e-CRM recently, large economic formations in America and Europe were focused in most of these studies (Jayachandran et al., 2005; Letaifa and Perrien, 2007; Tavana et al., 2013). However, it can be said that SMEs which take place in the surrounding economies were not subjected to the study as much, although they constitute almost all of these economies. Hence it is observed that they have been evaluated in limited number of studies in terms of e-CRM activities by not considering the internet which they use as an important tool to provide competition advantage and their power to connect to the internet (Harrigan, Ramsey and Ibbotson, 2008, s. 386).

SMEs constitute nearly 99.8% of all of the businesses and nearly 74.2% of the total employment in Turkey, and they correspond to 63.8% of the total revenue (TÜİK, 2013). Thus the studies to be made on SMEs, and the results to be announced present great significance. It can be said that they will lead the community development and contribute to the growth of economics in the long run by directing their businesses with the evaluation of the announced study results of these companies whose contribution to the economics is undeniable.

Although it is the age of information technologies, studies based on the applications of SMEs particularly on internet technology are quite limited both in national and international literature. Studies on e-CRM activities of tourism industry SMEs, which take place within the service businesses and need to be in constant interaction with their customers, are yet on a very limited level. So, in this study, it is intended to determine the underlying critical factors of e-CRM activities of tourism industry SMEs.

In the scope of the study, 160 companies with tourism operation certificate, municipality certificate and TÜRSAB certificate have been detected and this number has been finalized as 280 by compiling the information in the specified resources. It is determined that 106 of these businesses have websites. No sample has been selected from the universe, complete count has been carried out due to the limitation of universe.

Survey method has been used for the determination of e-CRM approaches of the contacted tourism industry SMEs. Survey form consists of two sections In the first section, there are 35 statements in 5 point likert scale which are intended for the determination of the e-CRM approaches of SMEs, and this section has been taken from the studies of Harrigan, Ramsey and Ibbotson (2011). In the second section, 5 statements about the corporate features of SMEs and the profiles of their managers take place. Survey forms have been distributed to the SMEs in Erzurum, Erzincan and Bayburt cities by contacting them face to face, by telephone and e-mail methods. Nearly 70% of the surveys have been answered face to face, 20% on telephone, and 10% on e-mails. Survey forms have been applied between 7th November 2014 - 7th January 2015. In the analysis of survey data, SPSS package software have been utilized. Exploratory factor analysis has been applied for the determination of critical factors related to the e-CRM activities of SMEs. Kruskal Wallis and Mann Whitney-U tests have been carried out in order to reach sub-purposes.

As a result of the evaluation made, it has been determined that a significant proportion of the tourism companies in the region has a revenue above average, they are companies employing a small number of workers, and they are operated or managed by managers with moderate level of education. Although the e-CRM approaches of tourism industry SMEs in Erzurum, Erzincan, Bayburt sub-region are generally positive, it can be said that the most important insufficiency is about the number of employees. Particularly, it is observed that a limited number of workers have been employed in several areas in businesses. It can be said that there are institutionalization and specialization insufficiencies in a substantial part of tourism companies when insufficiencies are considered. Along with this, since the education level and qualifications of the managers and owners of tourism businesses are at moderate or lower level, it can be said that they have low awareness towards modern marketing methods. On the other hand, although they have a positive attitude towards e-CRM activities on a basic level, it is apparent that they do not have enough capital for advanced technology investments which take place in the modern marketing methods.

SMEs have less financial resource, lower specialty and more limited management skills, and it is quite difficult to apply technological initiatives completely. However SMEs are using e-CRM in order to improve the customer information management capabilities and to understand customers. Because e-CRM allows SMEs especially to acquire customer information through database technology and to manage it in a better

way. In the study, it is also found out that a database, in which tourism industry SMEs of Erzurum, Erzincan and Bayburt cities stored customer information, exists and that they thought this tool was important. At the same time, it can be said that they also use electronic information and manage it easily. By the statement of tourism industry SMEs using active internet communication in customer relations, it can be said that they do not have serious trouble about BIT adaptation and they evaluate the situation easily on contrary to general opinion. It has been determined that SME managers differ on customer information management and the effects of e-communication according to the number of employees and their level of education. In addition, the evaluation status of customer information management has varied according to the revenue of the business. Thus, it can be said that it seems easier for high revenue businesses to adapt BIT investments to the customer information management, otherwise financial difficulties may occur.

When the importance of SMEs in economic system is considered, significant incentives and investments are provided by several organizations at national and international level. At this stage, tourism businesses need to utilize these advantages firstly in education and matters such as providing funds and qualified labor, and to maintain their development increasingly. In this respect, creation of the necessary infrastructure through the incentives of regional development agencies may accelerate the process. Again, labor training and planning may be maintained effectively by collaborating with universities and especially the ministry of national education.

SMEs, which are constituting the majority of Turkey's economy today, contribute to both regional and national development. They especially have a dynamic structure and a flexible decision making mechanism, hence they easily adapt the changes in various subjects. Therefore, their concentration on the e-CRM activities are also easy to the extent permitted by their financial conditions. However some topics, in which SMEs are insufficient, can make this situation impossible. These can be listed as the usage of technology, having limited amount of awareness on R & D and innovation, insufficiently benefitting from the opportunities uncovered by information technologies, the usage of old technologies and not dwelling on modern marketing methods. In addition to these, moderate or lower education levels and qualifications of SME owners, managers and workers in general, and insufficient management capacity of SME owners are making this situation even more difficult.