

# **Effect of Customer Relationship Marketing Practices on Customer Loyalty (With Special Reference to Five Star Hotels in Colombo District)**

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Customer Relationship Marketing (CRM) is a widely using strategy in the modern-day business arena that allows to cultivate durable relationships with both present and potential customers while helping streamline corporate performance. Theoretically it develops a strong customer relationship, customer loyalty and brand value for an establishment. Service businesses are extensively led to the CRM practices evidently. The objectives of this study was to recognize the different CRM practices that are used in the hotel industry and assess the impact of those practices on the customer loyalty. Total of one hundred guests from five star hotels in Colombo district were selected conveniently as the study sample. A structured questionnaire was distributed to collect primary data and descriptive statistics, correlation analysis, and multiple linear regression analysis were used in the study in order to achieve the research objectives. The empirical results of the study revealed that the five star hotels are using an extensive set of CRM practices aligning to the trust, commitment, social bonding, empathy and communication where those have been felt mostly to the guests. CRM practices of the five star hotels and customer loyalty have a strong positive relationship. The most influential factor among all the customer relationship marketing practices, can be identified as social bonding and trust had been identified as the least influential factor which affect to the customer loyalty in five star hotels in Colombo district. The findings suggest that hotels can create loyal customers by exhibiting trustworthy behaviors, communicating information to customers efficiently and accurately, delivering a quality services and improving overall customer relationship quality.

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