

Title of the Paper: Customer empowerment in tourism through Consumer Centric Marketing (CCM)

Authors: Outi Niininen, Dimitrios Buhalis and Roger March

Article Type: Technical paper

Abstract/Purpose: We explain Consumer Centric Marketing (CCM) and adopt this new technique to travel context. Benefits and disadvantages of the CCM are outlined together with warnings of typical caveats

Value: CCM will be expected as the norm in the travel industry by customers of the future, yet it is only the innovators who gain real tangible benefits from this development. We outline current and future opportunities to truly place your customer at the centre and provide the organisation with some real savings/gains through the use of ICT

Practical Implications: We offer tangible examples for travel industry on how to utilise this new technology. The technology is already available and the ICT companies are keen to establish ways how consumers can utilise it, i.e. by providing 'content' for these ICT products the travel industry can fully gain from these developments and also enhance consumers' gains from it. This can result in more satisfied customers for the travel (as well as ICT) companies thus truly adopting the basic philosophy of marketing

Keywords: *Consumer Centric Marketing; CCM; tourism; Information Communication Technologies; ICT*

Introduction

Companies focussing on the relationship between the organisation and its individual customers are embracing the soul of the marketing concept. The development of Information Communication Technologies (ICT) and the Internet in particular is changing communication between consumers and vendors dramatically. The Internet offers superior facilities for relationship building compared to conventional means. Marketing is therefore called to capitalise on the emerging new tools and to enhance the relationship between companies and consumers towards adding value, improving service and ultimately contributing to the profitability of enterprises. Thus reducing the data handling problems so common in marketing (Wang, Head and Archer 2000). Consumer Centric Marketing (CCM) is a relatively new trend in marketing. It aims to streamline data used by companies and to take Customer Relationship Marketing (CRM) one step forward.

The ultimate aim of CCM is for companies to gain insight into the general characteristics of their individual clients, by becoming experts in the customer motivations, habits, attitudes and values that shape the consumers' opinion about the brands the company is offering (Wright, Nancarrow and Michel, 2002). In addition, CCM provides the electronic tools to enable consumers to customise the product they purchase to their personal needs and requirements. Customers take an active role in the design of their product by declaring their preferences and customising their product packages accordingly. Hence CCM elevates the customer-company relationship to its rightful position in the organisation. Such strategy also forms the basis for differentiation and greater value creation leading to loyalty and profitability and thus provides the organisation with long term return on their investment (Bolton, 2004; Mello, 2002; Wright, Stone and Abbott, 2002). Once the company embraces

customer centric marketing they are also implementing an integrated customer centred management style (Sheth, Sisodia and Sharma, 2000; Paulin, Ferguson and Payaud, 2000). Furthermore, companies that aim to establish regular communication with their customers will increasingly enjoy trust-based relationships (Lietz, 2003; Maney, Flink and Lietz, 2002). As such CCM on its own has not created head waves in marketing; it is the combination of CCM philosophy and technological advancements that allow for a more sophisticated data collection and manipulation as well as personalisation of products, services and experiences that whets the appetite of even seasoned Marketing Managers.

The internet has changed the way goods and services are purchased. The web environment has empowered the consumers on three levels, firstly, to make informed purchases as independent reports now are more accessible to them; secondly, to 'join forces' with other customers and exchange opinions or experiences with consumers from around the world thus enabling e-word-of-mouth communication at unprecedented levels (e.g. bulleting boards and news groups). Finally, the communication between consumers and companies has achieved new levels of interaction where personalised messages enable 'mass production' of tailor-made products. The Consumer Centric Marketing (CCM) is based on a positive cycle of learning from customers – allowing the customers to take the driving seat in designing the product features - offering customers products with higher perceived value – increasing customer life time value.

This paper aims to explore the CCM concept and to demonstrate several applications in the tourism, travel and hospitality industries. Tourism related products and experiences are ideal candidates for exploring CCM as consumers have been combining a wide range of products and services towards creating their service package and total experiences. The

tourism package is by definition an amalgam of often independently produced products and services that include, for example, airline seats, hotel rooms, restaurants, guided tours, theme parks, taxi rides etc. In most cases, consumers dynamically package their own product, often at the same time as consuming it (i.e. whilst at the tourism destination). They customise their product by communicating their wishes to suppliers through a range of media, including telephone requests, email and even face-to-face communication. For example, consumers may request a window or aisle seat on an aircraft, a sea view or a non-smoking room at a hotel or an extra pepperoni pizza at the restaurant. Technology not only enhances the channels of communications but also provides tools for the organisation to adapt proactive and reactive marketing strategy towards customising products and satisfying customer demand (Buhalis, 2003).

The evolution of the CCM

CCM builds on the techniques designed for Customer Relationship Management (CRM) (Daniel *et al.*, 2003; O'Leary *et al.*, 2004; Varey *et al.*, 2002,). CCM is a more advanced marketing philosophy than CRM in a sense that CCM truly 'places the customer in the middle': CCM also allows the organisation to gather very detailed information of their customers, thus accumulate a very deep understanding of customers served. This is enabled by networks, databases, data warehousing and data mining applications. The Web is used to enable consumer interactions, data collection and analysis. The Web also enables the identification and tracking of the consumers (Wang *et al.* 2000).

Furthermore, CCM derives from and finds its natural home in the packaged goods industry and much of the published work derives from this same sphere (Mello, 2002). This

business-to-consumer (B2C) approach could be explained as the ‘good, old-fashioned service’, e.g. where the village doctor was able to know his clients very well and had the expertise that helped to change the client’s life. Yet CCM implies the organisation is communicating with multiple clients globally and is able to offer tailor-made products to each of them. Thus, it enables organisations to create one-to-many or B2C products and services that are perceived unique or personalised by their customers. In essence, CRM refers to the accumulation of knowledge about a consumer's needs and the utilization of that knowledge to deliver customer satisfaction.

The major advancement by CCM is that the consumer is able to participate in the actual product design thus achieving greater customisation. The customers are invited to become the ‘architect’ for the goods and services purchased, even giving the clients the opportunity to personalise and make changes to the products they have ordered. Furthermore, ‘reach (people/locations) and range (variety)’ of CCM business opportunities has expanded globally owing to the development of the Internet. Manufacturers, such as Dell or General Motors, can therefore communicate directly with the end-users and allow them to personalise their products and services (Wang *et al.*, 2000, p. 375).

Defining Consumer Centric Marketing

Consumer Centric Marketing can be defined as ‘the discipline of capturing and deploying consumer insights to enhance marketing effectiveness and better serve those consumers that are brand’s best prospects’ (Maney *et al.*, 2002 p.3). In essence, the CCM is a three-step process:

- 1) the collection and arrangement of information and data on individual customers,

- 2) the utilisation of that information to more effectively target those existing customers and
- 3) allowing the customer to customise and personalise the service to match their own needs and preferences.

Take in Figure 1

Organisations focus on creating value by providing the clients with the service they require (i.e. client-perceived value). In CCM this value creation is achieved through a combination of technology-driven processes and human inputs. These build a transaction environment that allows customers to be the centre of the transaction, helping him design the product features or choosing the most appropriate level and type of service and informing them about new products relevant to them. This client-perceived value is critical and is often regarded as:

- ‘the fundamental basis for marketing (Parasuramam, 1997),
- what holds transactions together as relationships (Mattson, 1997),
- a key strategic variable to help explain repeat purchase behaviour, brand loyalty and commitment (Patterson and Spreng, 1997),
- the next source of competitive advantage (Woodruff, 1997) and
- one of the most successful competitive strategies of the 1990s (Ravald and Gronroos, 1996)’ (*as cited in Paulin et al., 2000, p. 456*).

The prerequisites for successful CCM can be summarised in the following points: firstly the company needs to have a substantial amount of relevant information about the customers. Most companies do keep records/databases of some kind but fail to put this data into understandable information and actionable knowledge. Secondly, the company needs to offer their clients suitable communications platforms or selling points (e.g. internet and call centres) where the client can select the elements of their product (e.g. Bridge the World offers prospective clients the opportunity to design their own vacations and DELL computers allow clients to customise the design of their own PC on-line). Here technology is used to enable transactions between the customer and the company, reduce the costs of such interactivity, make these transactions more efficient as well as to strengthen the relationship between the parties and create a degree of (perceived) interdependency (Mello, 2002; Paulin, *et al.*, 2000). In addition, technology enables the consumer to select what is important for them and to decide what they would like to pay for. Finally, the accumulated knowledge allows the design of personalised and meaningful messages to the customer regarding the features of the brand.

CCM is based on a cyclical notion of building from a database to meaningful (two-way) communication with the end-use customer. Furthermore, the dialogue created re-enforces the power of the database, thus allowing for more insightful communication with customers and building their trust towards the company. Customer satisfaction is also increased through this process of communication and customisation establishing a dialogue (B2C as well as C2B) rather than a monologue. CCM is, therefore, a philosophy building on the traditional market orientation, as well as innovation orientation, where managers learn from their customers and the customers learn from the technology enabled communication

originating from the company (Berthon, Hulbert and Pitt, 2004; Lietz, 2003). Organisations and customers interact dynamically to create the best possible solution which on the one hand adds value to the total customer experience and on the other improves loyalty and ultimately profitability.

CCM is also characterised by dynamic knowledge management, empowered by efficiencies gained through the 24/7 communication utilising multiple points of communication/entry but feeding to centralised databases. This single repository of information reduces further data duplication (e.g. for several Internet based services it is now a 'norm' to log on with a customer specific username) and increases the depth and value of the data held about each customer. It also enables organisations to deal consistently with the customer across different locations and distribution channels.

Ultimately the company can deal with a target segment of just one customer. Thus 'firms in the future will build their success on how much they know about their customers, how they will provide them [customers] with information about their products and services, and how they will profitably distribute those products and services in an information based environment' (Olsen and Connolly, 2000, p. 30). As service can be easily configured to individual needs, CCM will enable organisations to deliver this level of service.

CCM within the tourism industry context

The tourism, travel and hospitality industries have been revolutionised by the emerging technologies. Both interaction with customers and industry structures have experienced dramatic changes in the last decade (Buhalis, 2003; Werthner and Klein, 2000; Minghetti, 2003; Piccoli, O'Connor, Capaccioli and Alvarez, 2003). On one hand, ICTs facilitate the

expansion of the industry and the enlargement of the market and on the other the growing volume of demand require advanced ICTs for the management of tourism organisations. Technological developments also propel a wide number of changes in the tourism industry marketplace, particular in distribution and globalisation. A number of key trends in the global tourism industry have further accelerated the use of ICT in tourism as demonstrated in Table I.

Take in table I

The emergence of CCM applications is a natural outcome of these following trends: brand and product proliferating; the fragmentation of traditional media and the emergence of new communication methods; the changing consumers; the increased channel power and developments in ICT. The Product Lifecycles are becoming shorter and new innovative products are emerging regularly. Many of these products are 'educating' the consumers to change their buying habits, e.g. the low cost airlines are encouraging travellers to depart from the traditional ready-made holiday packages and make private arrangements for their vacations, thus teaching consumers to seek out information from independent sources and design the features of their own vacations. The changes in the media are transparent as well; digital TV and radio are being introduced together with interactive services. The 3G mobile technology will soon change the way we buy goods and services. E-mail, SPAM, WWW and WAP are already well established. As a result, on one hand, the consumers are bombarded by messages and their attention is now even harder to capture. On the other hand, technology can also be used to filter out unwanted messages thus allowing consumers

to choose which organisation they wish to enter into dialogue with. Permission based and highly personalised marketing is now adding value to goods and services. The competition is likely to become more fierce (Maney *et al.*, 2002).

Relating CCM to traditional segmentation practice in tourism

Every tourist is different, carrying a unique blend of experiences, motivations and desires. The Internet has revolutionised flexibility in both consumer choice and service delivery processes. Increasingly customers become much more sophisticated and discerning. Tourists as consumers also become demanding, requesting high quality products and value for their money and perhaps more importantly value for time for the entire range of their dealings with organisations.

Having experienced several tourism products and destinations, experienced, sophisticated, demanding travellers rely heavily on electronic media to obtain information about destinations and experiences, as well as to be able to communicate their needs and wishes to suppliers rapidly (Buhalis, 2003). A wide range of personalisation approaches are emerging in the marketplace, including recommender systems (Gretzel, *et al.*, 2004; Minghetti, 2003; Ricci, 2002).

The marketing practice, therefore, gradually evolves from mass marketing to effective segmentation and targeting, advocating one-to-one (121) ICT-enabled marketing. Technology and dynamic interaction for the first time ever makes customisation cost effective at large scale. It also offers the possibility to provide personalised products and services at competitive prices. Figure 2 demonstrates how CCM relates to mass/segmented marketing:

Take in figure 2

Mass marketing typically involves goods that hold little importance in the eyes of the consumer (low involvement). For that reason the customer is happy to accept marketing communication with no personalisation and there is no need to cultivate relationships between the supplier and the end-user (e.g. mass tourism sun-sand-sea packages).

Traditionally consumers have been seen at the end of a 'chain', simply receiving the output of actions taken place earlier in this production chain. Yet consumers also perform their own marketing functions as they 'analyse their needs, seek information, compare the value of alternatives, and make decisions'. Moreover, the Internet has empowered the consumers to make better informed decisions by introducing more transparency and making data gathering easier (Wang *et al.* 2000, p. 376). The consumers can also choose to begin a relationship with the company by signing up for an Internet based service, thus providing details of their needs and wants, listing products of interest as well as contact details (mobile number and e-mail address). The more sophisticated the data provided by the customers the more satisfaction he can gain from this transaction. Hence it is in the consumer's best interest to provide accurate and detailed information about themselves and their product preferences, thus creating the positive cycle of CCM.

Targeted marketing is the classic segmentation approach where there is some understanding of the needs of the end-user and some degree of relationship may develop between customers and producers (e.g. pony trekking holidays targeted to riding club members).

One-to-one type of marketing is based on gaining real insight into the needs of the tourist

with high degree of personalisation. For example, as demonstrated in Figure 3 organisations such as Lastminute.com encourage consumers to register on their web site and declare personal information including age, marital status, number of children at home, home ownership status and preferred airport. This information is then used to drive their newsletters targeting specifically consumers according to family life cycle, income and life style. It is also used for allowing service providers to dynamically package different products and services by suggesting value added options that fit the customer profile as demonstrated on the example by Lastminute.com in Figure 4. Effectively consumers are creating their own experience by amalgamating or even customising tourism products to their needs and requirements.

Take in Figure 3

Take in Figure 4

In addition by allowing the client to customise his purchase by ‘mixing and matching’ different elements of the tourism product the online interactions can enhance the service further. A deep relationship between a tourist and a travel supplier may emerge (when, for example, arranging a wedding in a foreign country) by using electronic media to facilitate interaction. A ‘cyber relationship’ may also emerge between supplier and the traveller when the prospective client is allowed to customise parts of their purchase over the Internet. For example Air India allows the clients to select from a menu of over twenty different types of meals at the time of booking.

Having the possibility of identifying a target segment of just one customer can lead to technology myopia. It is important that such tunnel vision will not overshadow traditional marketing wisdom and diminish the requirement for 'long term financial success for the company'. It is therefore pertinent to revisit the segmentation concept. As a holiday purchase moves across the continuum towards the 1-to-1 type service model, the more important the traditional marketing wisdom and professional expertise about the product on offer becomes. The whole target market can be divided into three key segments ranging from A to C according to their ability to conform to products offered by an organisation, as demonstrated in Table II.

Take in table II

Here is where the greatest risk for technology myopia lies. The initial investment of funds, staff training and recruitment can create pressures to maximise the use of this technology thus extending the service offer to segments that would not have been considered viable for 'traditional' marketing. Although new viable segments are likely to emerge from such shifting of the marketing focus it is important to note that some customers, albeit ready to adopt CCM, will never create profits for all companies. Therefore the traditional marketing concept of matching customers' wishes to company's products is still required. The fact that CCM utilizes databases of customer buying behaviour potentially enables the sub-segmenting of clients according to their profit potential. Hence critical appreciation of the new applications needs to be exercised.

Information Gathering Strategies

Current use of the internet is already educating the consumer that they can exchange personal information in return for better service, discounts, offer alerts, newsletters, ease of service and customisation. By signing-up for an account with e-retailers and logging-in to personalised account consumers can store their details and preferences; and, organisations can track purchasing patterns to the degree of a 'segment of one'. Furthermore, incentives like discounts, loyalty points/rewards, and prizes can be used to entice the consumers to complete an on-line survey. For example, Expedia and Eurostar allows registered customers to save regular services/purchases and retrieve them instantly on return log-in. Cookies can also be used to identify web based customers.

Increasingly recommender services emerge that employ intelligent agents and artificial intelligence to 'cut through' unlimited information and reach personalised solutions (Ricci, 2004). Mobile phones are becoming invaluable assistance and support for people on the move. The development of website services and a combination of 3G as well as location based services will enable telecommunications networks and service providers to access customer profile, even current location and then send information of the relevant products and services.

Consumers will be happy to part with personal information only when this serves a clear objective of providing value adding services from specific organisations. If the organisation misuses sensitive information or sells on to third parties they should be prepared to face the unhappy customers, negative WOM (multiplied by the power of e-communication) and potential legal action. Most importantly, consumers will loose trust and will break the

relationship with the organisation. The Data Protection Act and other legislation also control the use of personal information.

Information Utilization Strategies and future CCM prospects

Tourism CCM applications will be featuring services available to travellers before – during – after their trip. Much of the CCM of today focuses on the before the trip services, e.g. internet sites that track the availability of flights, accommodation and holiday packages according to the criteria set by users. CCM applications will follow the traveller whilst away from home, and will include wireless technology applications and made-to-order products and services. The digital format of the Web based interaction makes it easier to record communications between businesses, business partners and consumers as well as consumer-to-consumer (C2C) (Wang *et al.*, 2000). The after trip communications could include invitation to join moderated web discussion groups featuring special interests central to recent vacation (thus building towards customer loyalty and future bookings).

Wireless technology is becoming more common, as 3rd Generation mobile services, WIFI and Bluetooth applications increasingly allow two-way-always-on connectivity regardless of location. The early adopters are already comfortable with wireless connectivity, and soon the mass market will start to demand opportunities to connect to the internet without being tied to a PC. There is a further trend of increasing use of hand-held devices that are becoming smaller and more affordable whilst, mobile phones incorporating data based applications are already regarded as a necessity rather than luxury. Such data applications include logging expenditure; currency conventions; GPS based tracking of location

(Location Based Services, LBS) and automated messages of local partners, services. Services controlled through Internet browsers are also becoming increasingly popular, thus emphasising the importance of networking and sharing data about local attractions with global partners. Mobile applications will increasingly allow customers to check-in at airports and hotels; communicate boarding passes, vouchers and authentication information required for travel and immigration purposes. Furthermore, M-money can become the travel currency of the future enabling consumers to 'load up' currency to their mobile phones and then pay for services simply by dialling up the service provider's numbers.

Mobile applications will enhance CCM as consumers will increasingly be able to communicate preferences electronically to service providers where they are. For example, a customer carrying Bluetooth enabled device will be automatically directed to a room of his preference when arriving in a CCM enabled hotel. Furthermore, this room will feature a customised welcome message including the customer's favourite picture, favourite music, room temperature is automatically adjusted to his preference and the customers preferred beverages will be available.

The made-to-order (MTO) concept appears to be at the centre of the CCM philosophy and is already in some use in the tourism industry. Typically a holiday package is made of accommodation + transport + meals + experience/entertainment. Most of these sub-components of vacation can be substituted by a competing supplier with no great complication. Internet providers such as expedia.co.uk and lastminute.com are already enabling this whilst Kuoni enables the customisation of the holiday packages according to

consumer's requests. These systems are gradually becoming adaptive by learning from past experience and projecting the declared preferences.

The CCM organisations use intelligent agents (based on artificial intelligence and neural networks) so the travellers can 'educate' the software of their preferences. Initially the 'Shopbots' will seek for services including specified attributes (e.g. adventurous holidays) and ignore other types of products. The programme monitors decisions made by the tourist and 'learn' from these transactions to be able to provide even more accurate matches to the search terms. This improves the suggestions offered to travellers whilst a comparison between users with similar profiles also educates the system about customer preferences. Hence filtering away services that do not add perceived value to these individuals (Olsen and Connolly, 2000).

A range of new technologies are emerging to assist consumers that have predetermined profile or are guided by specific needs to reach tourism products and services that will satisfy their needs and requirements. For example recommender systems are commonly defined as applications that e-commerce sites exploit to suggest products and provide consumers with information to facilitate their decision-making processes. They implicitly assume that we can map user needs and constraints, through appropriate recommendation algorithms, and convert them into product selections using knowledge compiled into the intelligent recommender. Knowledge is extracted from either domain experts (content- or knowledge-based approaches) or extensive logs of previous purchases (collaborative-based approaches). For travel and tourism, the two most successful recommender system technologies are Triplehop's TripMatcher (used by www.ski-europe.com, among others) and VacationCoach's expert advice platform, Me-Print (used by travelocity.com). Both of

these recommender systems try to mimic the interactivity observed in traditional counselling sessions with travel agents when users search for advice on a possible holiday destination (Ricci, 2002). A simpler application of that is the Expedia “inspiration” that encourages consumers to determine few variables and recommends products and services accordingly, as demonstrated in Figure 5.

Take in Figure 5

Electronic word-of-mouth: ICT is also allowing for positive and negative word-of-mouth (WOM) communication at an unprecedented scale across geographical borders. The Realholidayreports <http://www.realholidayreports.com/> displays feedback from ordinary tourists about the facilities in a destination. Internet search engines have also created unusual ‘experts’ of tourism products where a private web page may achieve the most hits for a destination. Moreover, the information-savvy tourists are well connected through virtual communities (e.g. www.virtualtourist.com and www.igougo.com) where members have the option to maintain their own travel web pages. These web pages can be visited and ranked by other users of this service, hence appealing for the competitive instinct of the tourist and providing an incentive to provide accurate and enjoyable reports on travel destinations and services. To conclude, such information based services can also achieve the much coveted loyal clientele since ‘the most successful competitors will collect and synthesise information about their customers’ buying patterns and convert this knowledge to a highly personalised service’ (Olsen and Connolly, 2000, p. 31).

Caveats of CCM

Several caveats are worth mentioning. CCM is already happening and while the CCM can be labelled as an extension on CRM, its increasing importance in a rapidly fragmenting market-place makes it worthy of attention. Since ICT is putting CCM into the reach of everyone competition is intensifying as technological means to access individual customers are becoming easier. This is a conundrum and a double-edged sword and increasingly only innovators will be able to maintain sustainable competitive advantage. Although the customers will be demanding the latest ICT solutions, the service industry may not be able to comply due to the initial investment required to achieve this as well as the difficulty to calculate any rate of return for this investment (Olsen and Connolly 2000, p.32).

CCM can also be cost *inefficient* as customisation has a higher per unit cost of production and this may affect the price of product as well as the its competitiveness. As with any new technology advancement, there will be initial resistance to sign-up for new services until consumers understand and appreciate the value of this service and also until the security of each transaction can be guaranteed. Furthermore, the downloading times at the moment are relatively slow, which limits the richness of data sent to the tourist whilst on vacation. The 'at destination' communication of today would involve mainly text, but once data roaming procedures and downloading times can be reduced more multimedia communications can be introduced and services such as 'virtual guides' and LBS will be introduced.

We speculate that the real 'bottle neck' for the implementation of these technology based models is the relatively low number of truly ICT savvy customers. The technology described here is currently used by the consumers from the early adopters/early majority group. The late majority group is potentially frustrated by their lack of understanding and

skill required to set up these ICT systems and the laggards are concerned with the perceived risks associated with internet based transactions, in essence, lack of trust causes them to reject these new services (e.g. 84% of Americans worry about threats to privacy; 78% feel they have lost control of how their personal data is used; Wang *et al.*, 2000). Some of these concerns can be counter-balanced by CCM organisations adhering to strict privacy controls and placing such policies prominently on their web pages. Credit card companies are also easing the discomfort felt by consumers by offering their customers protection against fraudulent use of their cards. External bodies like <http://www.truste.com> and <http://www.webtrust.net/> also offer guidance to organisations regarding customer privacy and data security. They can also help in lowering the perceived risk of on-line transactions by offering a 'seal of approval'.

Conclusions

Customer orientation and innovative thinking have been cited as the basis for best business performance (Paulin *et al.*, 2000). The balance between savings from technological effectiveness and providing customer centred service atmosphere is not an easy one. Technology myopia can be a very alluring way to streamline customer service functions. Yet this is not the true philosophy of CCM (Berthon *et al.*, 2004). Like marketing itself, CCM is a philosophy, and approach that needs to be adopted and promoted throughout the firm. Moreover, ICT is not the panacea for all marketing ills. However the need for, and opportunities arising from, individual consumer-focused marketing activities have perhaps never been more relevant as 'it is the customer who determines what a business is' (Drucker, 1954, p.37)

Bibliography

- Berthon, P. Hulbert, J.M. and Pitt, L. (2004), "Innovation or customer orientation? An empirical investigation", *European Journal of Marketing*, Vol. 38 No. 9/10, pp. 1065-1090.
- Bolton, M. (2004), "Customer centric business processing", *International Journal of Productivity and Performance Management*; Vol. 53 No. 1, p. 44 -51.
- Buhalis, D. (2003), *eTourism: Information Technology for Strategic Tourism Management*, Pearson Education
- Daniel, E., Wilson, H. and McDonald, M. (2003), "Towards a map of marketing information systems: an inductive study", *European Journal of Marketing*; Vol. 37 No. 5, pp. 821-847.
- Drucker, P.F. (1954,) *The practice of management*, Harper and Row, New York, NY.
- Gretzel U., Mitsche N., Hwang Y-H and Fesenmaier D. (2004), "Tell Me Who You Are and I Will Tell You Where to Go: Use of Travel Personalities in Destination Recommendation Systems", *Information Technology and Tourism*, Vol. 7 No. 1, pp.3-12.
- Lietz, C. (2003), *Consumer-centric Marketing: How leading consumer packaged good companies are transforming the way they market. A Fair Isaac White Paper.*
<http://www.fairisaac.com/NR/rdonlyres/20104EED-F186-4058-9608-26B54B57AB14/0/ConsumerCentricMktgWP.pdf>, accessed 9th September 2004.
- Maney, R, Flink C. and Lietz C. (2002), White paper on Consumer Centric Marketing: How leading consumer packaged good companies are transforming the way they

- market. <http://crm.ittoolbox.com/documents/document.asp?i=2835>, accessed 9th September 2004.
- Mello, S. (2002) *Customer Centric Product Definition*, American Management Association; New York, NY.
- Minghetti, V. (2003), “Building Customer Value in the Hospitality Industry: Towards the Definition of a Customer-Centric Information System”, *Information Technology and Tourism*, Vol. 6 No. 2 pp.141-152.
- O’Leary, C.; Rao, S.; Perry, C. (2004), “Improving customer relationship management through database/Internet marketing: A theory-building action research project”, *European Journal of Marketing*, Vol. 38 No. 3, pp.338-354.
- Olsen, M.D. and Connolly, D.J. (2000), “Experience-based travel”, *Cornell Hotel and Restaurant Administration Quarterly*, pp. 30-40.
- Paulin, M., Ferguson, R.J. and Payaud, M. (2000) “Business effectiveness and professional service personnel- Relational or transactional managers?” *European Journal of Marketing*, Vol. 34 No. ¾, pp. 453-471.
- Piccoli, G., O’Connor, P., Capaccioli, C. and Alvarez, R. (2003), “Customer relationship management-a driver for change in the structure of the U.S. lodging industry”, *Cornell Hotel and Restaurant Administration Quarterly*, Vol.44 No.4, pp. 61-74,
- Ricci, F. (2002), “Travel Recommender Systems”, *IEEE Intelligent Systems*, November/December, pp. 55-57.
- Sheth, J.N., Sisodia, R. and Sharma, A. (2000), “Antecedents and consequences of customer centric marketing”, *Journal of the Academy of Marketing Science*, Vol. 28, pp. 55-66.

- Varey, R. (2004), "Relationship Marketing: Dialogue and Networks in the E-commerce Era", *European Journal of Marketing*, Vol. 38 No. 8, pp.1031- 1032.
- Wang, F., Head, M. and Archer, N. (2000), "The relationship building model for the Web retail market place", *Internet Research: Electronic Networking Applications and Policy*, Vol. 10 NO. 5, pp. 374-384.
- Wright L.T., Stone M. and Abbott J. (2002), "The CRM imperative — Practice vs theory in the telecommunications industry", *The Journal of Database Marketing*, Vol. 9, no. 4 (July), pp. 339-349.
- Wright, L., Nancarrow, C. and Michel, S. (2002), "The branding of IT: marketing and research issues", *International Journal of Information Technology and Management*, Vol. 1, No. 4, pp. 425 – 441.
- Werthner, H. and Klein S. (2000), "ICT and the changing landscape of global tourism distribution", *International Journal of Electronic Commerce and Business Media*, No. 9/4, pp. 256 – 262.

Figure 1: From CRM to CCM

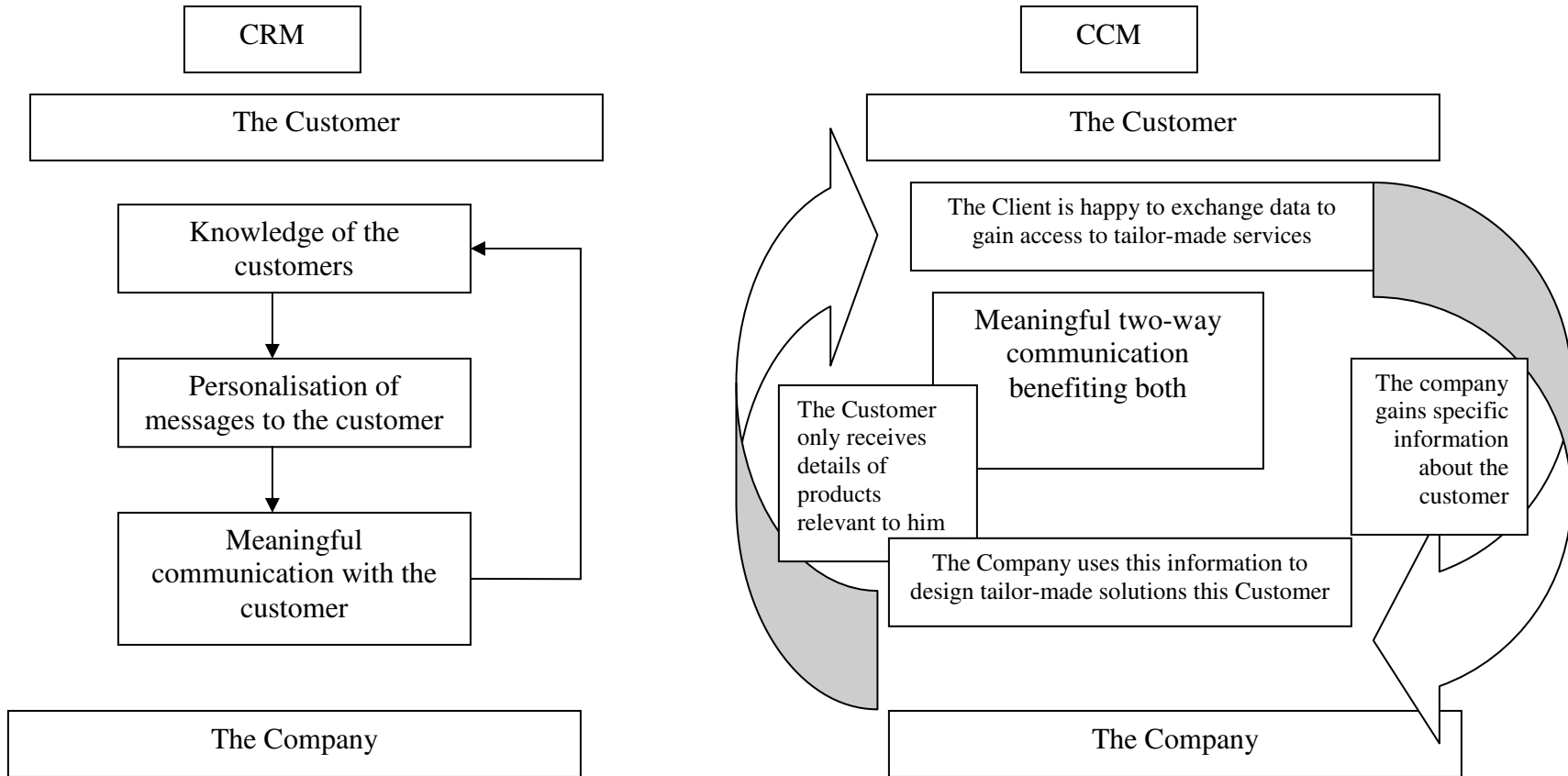


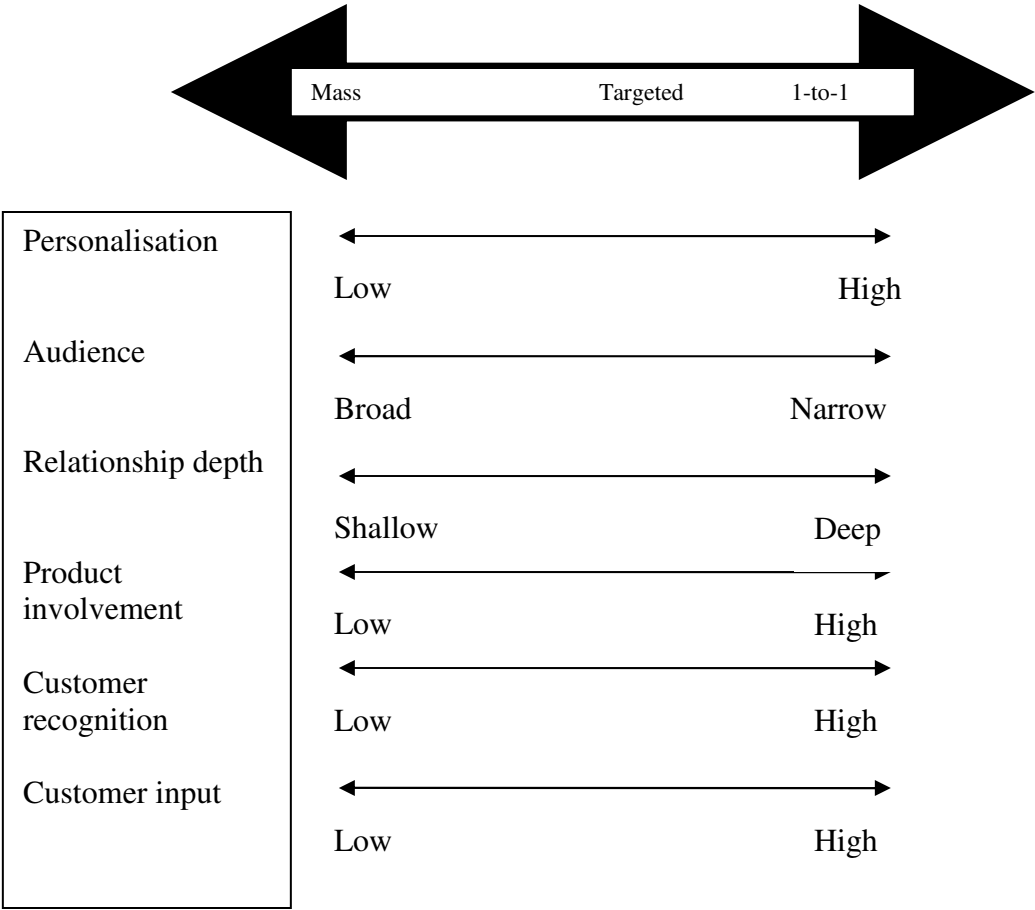
Table I: Tourism trends influencing the adoption of CCM

Tourism trends		Implications for consumers
Brand and product proliferating	<ul style="list-style-type: none"> - Low cost airlines - Brand extensions in hotels and airlines - Increasing competition amongst destinations, attractions and events 	<ul style="list-style-type: none"> - Consumers are bombarded by direct marketing communications - Consumers become accustomed to SPAM - Consumer awareness is harder to capture - Brand relationships are harder to establish and defend - Database creation and knowledge management becoming easier - Permission based communications increasing/ becoming a necessity - Consumers appreciate personalised value adding services offering differentiated products - Tourism products now follow their own fashion trends, the 'in place' to be - Accelerating product life-cycles - Customisation and personalisation encourage loyalty and customers feel more like 'being part of the brand'
Traditional media fragmenting	<ul style="list-style-type: none"> - Digital radio and TV - Interactive TV - 3G mobile 	
New Media emerging	<ul style="list-style-type: none"> - e-mail - SPAM e-mail - WAP - WWW - Increased transparency between substitute products 	
Consumers changing	<ul style="list-style-type: none"> - Habitual buying of low importance products to 'free time' for more - Leisure/holiday time increasingly important to consumers - Instant gratification sought from holidays - Greater experience in booking vacations independently - Short break holidays - Increasing demand for nature-based, cultural, spiritual and authentic experiences - Greater fragmentation of segments by needs and benefits - More savvy consumers 	
Increased channel power	<ul style="list-style-type: none"> - Vertical integration across wholesaler and retailer/operator channels - Tour operators can change 	

	the branding of a destination (e.g. identical BOGOFF [Buy One Get One For Free] to Spain and Greece campaigns)	and preferences in 'My Product' type on-line service providers and expect them to filter out the 'information overload'
Financial models	- Yield management	- Automated, on-line pricing is harder to achieve
ICT	- ICT enables a more tangible presentation of the tourism product, e.g. 360° views of a destination available round the clock -Facilitates direct communication between customer and produces -'Me-too-ism' of consumers and tourism producers	- Easier to compare the intangible and tangible elements of tourism product - Extended 'travel experience' when the tourist can belong to a virtual travel community before and after the trip as well as observe the destination on-line

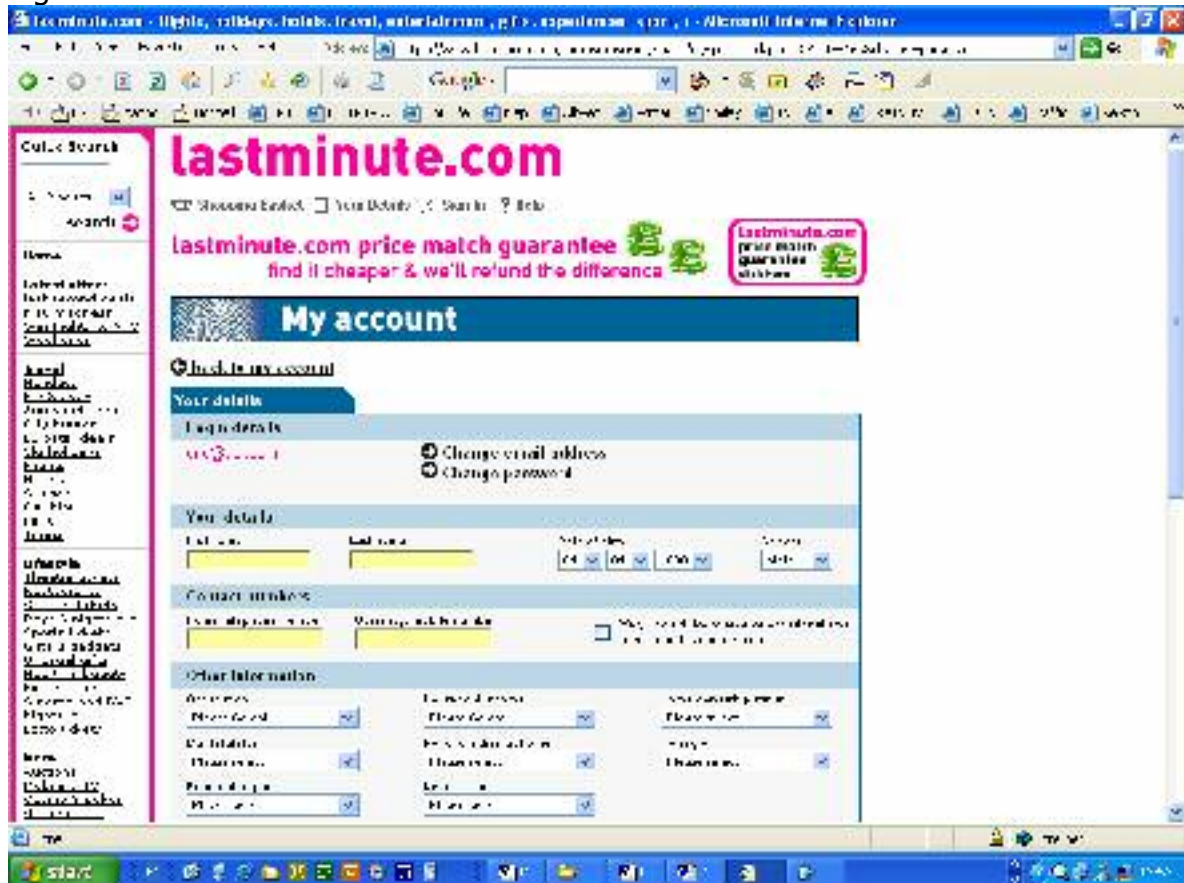
Adapted from Maney, Flink and Lietz, 2002, p. 4

Figure 2: The Marketing Continuum



Adapted from: Maney, Flink and Lietz, 2002, P 4

Figure 3: Lastminute.com account information

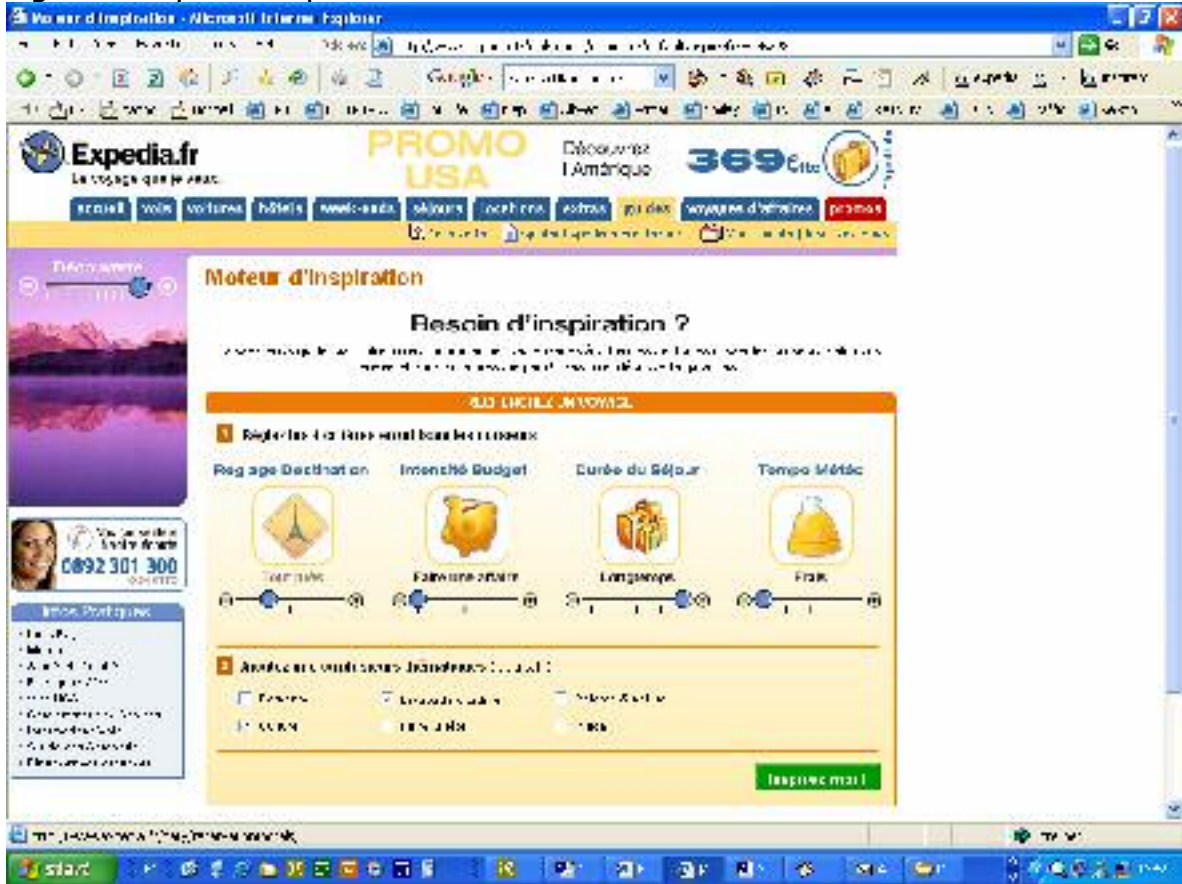


https://www.lastminute.com/lmn/ps0/user/myspace/myspace_old.jhtml?CATID=169&display=personal

Table II: Segmenting according to Market conformation

'Insiders' (A customers)	'Marginals' (B customers)	'Outsiders' (C customers)
<ul style="list-style-type: none"> • the perfect match to the product offering of the tourism company • they appear to have no specialist demands on the service on offer • the product is already a match to their holiday requirements. • they make a definite positive contribution to the profits of a travel company. 	<ul style="list-style-type: none"> • on the surface they do not appear to be a good match to what the business is typically selling • specialist requests are likely • questionable impact on profits • may offer a strategic advantage for the future: e.g. gaining representation within a travel guide and publicity from famous visitors. 	<ul style="list-style-type: none"> • beyond the target market of the organisations • multiple specialist requests and complaints • dissatisfaction amongst other A/B-tourists at the resort at the same time • likely negative impact on the profits

Figure 5. Expedia Inspirator



<http://www.expedia.fr/daily/jump/inspirator/default.aspx?frr=-35793>