

## **CUSTOMER RELATIONSHIP MANAGEMENT CAPABILITY, MARKET ORIENTATION, INNOVATIVENESS, AND ORGANIZATIONAL AGILITY AFFECTING THE PERFORMANCE OF HOTEL BUSINESSES IN THAILAND**

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### **ABSTRACT**

This study investigates the influence of Customer Relationship Management Capability, Market Orientation, Innovativeness, and Organizational Agility on the performance of hotel businesses in Thailand. By synthesizing existing literature and academic theories, a conceptual framework was developed to explore these relationships comprehensively. The findings underline the critical role of customer relationship management in enhancing customer satisfaction and loyalty through effective data utilization. Market orientation is highlighted as a strategy for aligning organizational operations with market demands and customer behaviors. Innovativeness contributes significantly to creating value through new products, processes, and services, while organizational agility ensures timely and efficient adaptation to market changes. This research framework provides practical insights for academic and industry applications, aiming to improve operational efficiency and competitiveness within the hotel sector. Future research may utilize this framework to develop structural models for broader application in tourism and hospitality industries.

**Keywords:** Customer Relationship Management Capability, Market Orientation, Innovativeness, Organizational Agility, Performance

### **INTRODUCTION**

The measurement of business and ability industry performance plays a crucial role in strategic decision-making and overall management. Strong performance helps companies develop and maintain competitive advantages, such as enhancing production efficiency, improving product quality, and increasing customer satisfaction. Monitoring and analyzing performance enables businesses to respond swiftly and effectively to market changes and identify potential problems before they impact profitability and sustainability. This process is vital for understanding the efficiency and impact of various strategies, allowing organizations to adapt and refine strategies to enhance competitiveness and respond to rapid market changes (Sanchez-Henriquez & Pavez, 2021). Farida & Setiawan (2022) found that strategy improvements can enhance competitive advantages through innovation and performance enhancement. Moreover, performance measurement and management approaches assist companies in adapting to business changes, such as adopting new technologies and product innovations. Continuous evaluation has thus become a critical goal in the modern era.

The tourism industry is one of Thailand's economic pillars, generating substantial revenue and spreading prosperity across regions. It also plays a significant role in developing transportation infrastructure. However, the COVID-19 pandemic in late 2019 caused severe impacts, prompting government measures such as closing tourist destinations and travel restrictions. As a result, international tourist arrivals dropped by 38.01% in the first quarter of 2020, while domestic tourism decreased by 30.77% (Tourism and Sports Economics Bureau, 2022). Despite this, the situation began to improve in

2022 with eased restrictions and economic stimulus measures like the “We Travel Together Phase 4” program, leading to an 88% increase in domestic tourists and a 59% rise in tourism revenue compared to 2019 (Lattakit Lapudomkan, 2022).

The hotel industry faced significant challenges due to COVID-19, with the GDP of the accommodation sector dropping from 2.5% to only 0.6% in 2021, primarily due to declining occupancy rates and revenue from room sales. Organizations that quickly adapt, such as by adjusting workflows and management practices to meet changing needs, are more likely to survive crises and recover (Doz & Kosonen, 2019). Organizational agility is a key factor in today’s rapidly changing markets, enabling companies to adjust and respond to customer demands and expectations efficiently (Wang et al., 2024). Organizational agility is influenced by several factors, including customer relationship management capability, market orientation, and innovativeness. Customer relationship management capability enables organizations to collect data for improving services and marketing strategies. For example, hotels can predict trends and adapt quickly, enhancing efficiency and reducing risks (Kumar & Reinartz, 2019). Market orientation helps businesses understand and respond precisely to customer needs, fostering satisfaction and loyalty (Tajeddini & Trueman, 2020). Meanwhile, innovativeness allows organizations to develop new products and services, such as modern booking technologies or personalized services, creating memorable experiences and increasing customer satisfaction (Tugkan & Mehmet, 2023).

Therefore, this research aims to study the factors influencing hotel business performance in Thailand, focusing on variables such as customer relationship management capability, market orientation, innovativeness, and organizational agility. The findings may help hotel business operators and relevant organizations develop strategies to ensure survival and gain competitive advantages in the future.

This article aims to review literature and academic documents to explore concepts and theories for constructing a conceptual framework of factors affecting the performance of hotel businesses in Thailand, thereby promoting efficiency in this critical industry within the tourism ecosystem.

## OBJECTIVE

13. To explore the general context of the performance of hotel businesses in Thailand.
14. To study concepts, theories, or empirical findings from academic references that can identify variables expected to influence the performance of hotel businesses in Thailand.

## METHODOLOGY

The population for this study comprises research articles, theses, documents, and literature related to customer relationship management capability, market orientation, innovativeness, organizational agility, and the performance of hotel businesses in Thailand. These sources include complete documents, literature, or articles published between 2020 and 2024 (B.E. 2563–2567), and all are secondary data. The researcher applied evaluation criteria focusing on authenticity, credibility, representativeness, and meaning, as recommended by Scott (1990). These sources must be verifiable through recognized academic journal databases.

## RESULTS

The author conducted a literature review focusing on studies and research examining the relationships between variables consistent with the context of the research. This enabled the synthesis of the relationships between variables based on the conclusions drawn from related literature. The literature review has led to the development of a conceptual framework focusing on examining the influence of various factors, including customer relationship management capability, market orientation, innovativeness, and organizational agility, on the performance of hotel businesses in Thailand. This research adopts a framework derived from widely accepted academic concepts and theories, reflecting

the importance of these four factors in the success of hotel businesses in an era of rapidly changing markets and consumer behaviors.

Customer Relationship Management (CRM) Capability is a crucial factor that enables organizations to deeply understand customer needs through the collection and analysis of customer data. Leveraging related technologies and strategies enhances customer satisfaction and loyalty, which, in turn, improves the ability of businesses to respond efficiently to market demands and changes (Kumar & Reinartz, 2019). The significance of CRM Capability is also evident in its role in reducing customer acquisition costs and increasing the value derived from existing customers, particularly in the hotel industry, where building strong customer relationships is essential for long-term sustainability (Hyum & Zhan, 2019).

Market Orientation is an approach that helps businesses develop products and services aligned with customer needs and respond swiftly to competitors and market changes. Internal organizational coordination to foster a shared understanding further enhances operational efficiency. Market orientation enables hotel businesses to develop strategies that effectively address customer demands (Tajeddini & Trueman, 2020). Accurate customer data analysis also facilitates the prediction of needs and adaptation to various situations with efficiency.

Innovativeness is a factor that boosts the competitive edge of businesses by developing new products, adopting modern technologies, and creating more efficient work processes. Implementing innovation in hotel businesses enhances customer satisfaction and creates positive experiences, while also strengthening the organization's capacity to adapt to market changes and challenges (Tugkan & Mehmet, 2023).

Organizational Agility is a factor linked to the ability to respond swiftly to market changes. Highly agile organizations can adjust strategies, structures, and operational processes appropriately, reducing risks and increasing opportunities to gain competitive advantages (Wang et al., 2024). Organizational agility also fosters innovation that effectively meets market demands.

This conceptual framework is derived from the synthesis and analysis of relevant academic literature and research. By integrating the concepts of these four factors, it explains the causal relationships affecting the performance of hotel businesses in Thailand. The goal of this research is to develop strategies that enhance efficiency and competitiveness in the hotel industry within the complex context of contemporary economic and social changes.

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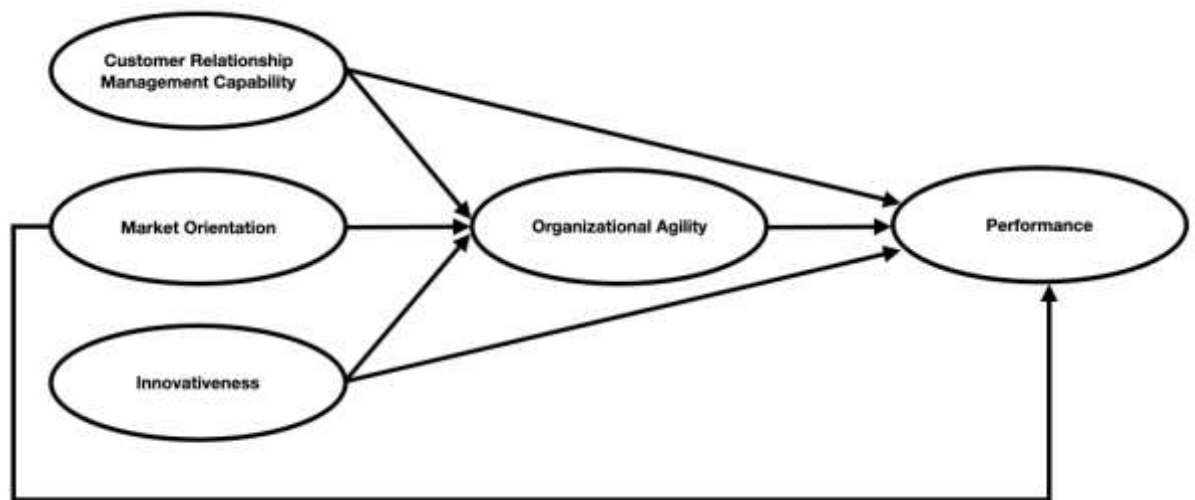
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When the conceptual framework was drafted based on the literature review findings, the research conceptual framework was depicted as shown in Figure 1.

**Figure 1**  
**The research conceptual framework derived from the literature review**



## CONCLUSION AND FUTURE WORK

From the literature review and related documents in the research, the developed conceptual framework plays a significant role in academia. It explains the influence of Customer Relationship Management Capability, Market Orientation, Innovativeness, and Organizational Agility on the performance of hotel businesses in Thailand. This framework highlights the complex relationships among variables that are interconnected with the improvement of efficiency and sustainability of hotel businesses in ever-changing environments. Customer Relationship Management Capability plays a crucial role in fostering customer satisfaction and loyalty through effective customer data analysis. Organizations with strong customer management can respond to customer needs promptly and accurately, thus enhancing their competitive advantage (Kumar & Reinartz, 2019). Market Orientation enables organizations to understand and respond precisely to customer behaviors and needs. By gathering and analyzing market data, organizations can develop effective strategies to adapt to market changes (Tajeddini & Trueman, 2020).

Additionally, Innovativeness contributes to developing new products and processes that enhance customer experiences and improve organizational efficiency (Tugkan & Mehmet, 2023). Organizational Agility helps organizations adapt and respond to market changes rapidly and effectively, playing a vital role in reducing risks and increasing competitive opportunities (Wang et al., 2024). Synthesizing the related literature, this conceptual framework serves as an essential tool for researchers to examine the relationships among variables in the context of hotel businesses in Thailand, especially in a rapidly changing and uncertain business environment. This research can support the creation of new knowledge and practical approaches that strengthen the success of hotel businesses in Thailand, particularly in improving performance outcomes, enhancing customer satisfaction, and building long-term competitive advantages.

The approach of this conceptual framework can be utilized to formulate research hypotheses and guide data collection and hypothesis testing using statistical methods. This will enable the development of an effective structural equation model that can reference the context or phenomena of the hotel and tourism industries in the future.

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