

CUSTOMER RELATIONSHIP MANAGEMENT PRACTICE OF DOMESTIC AIRLINES IN MYANMAR

Dr. Ohn Mar Myint

ABSTRACT

The objective of this study is to analyse the effect of CRM on customer satisfaction, trust and loyalty of domestic airlines in Myanmar. In this study, both primary and secondary data are used. For meeting the objectives, descriptive method and exploratory method are applied. To perform the analysis, seven domestic airlines and 350 passengers are surveyed by using the structured questionnaire. The findings highlight that although all domestic airlines are implementing CRM practices on all sale cycle stages, airlines from private sector apply more CRM practices than state owned airline and joint venture airlines. Among CRM practices in different sale cycle stages, the practices at the Pre-airport, Airport and Post-flight stage are the most prominent on domestic airlines in Myanmar. The study found that the customer also perceives that the prevalence of CRM practices affects both customer satisfaction and customer loyalty although the impact is more pronounced on customer satisfaction. Customer satisfaction leads to customer trust on the airlines and eventually leads to customer loyalty.

Keywords: CRM, Customer satisfaction, Customer trust, Customer loyalty

INTRODUCTION

Companies have changed their business strategies tremendously because of environmental changes affecting all industries. Focusing on customers as the main parameter in all businesses and based on shifting from product oriented to market-oriented industry. As a result of this, competition has increased between the companies in the market, where each company has to work out a strong up-dated competitive strategy if they want to stay in the business (Parvatiyar & Sheth, 2001). Moreover, a key driver of this change is the advent of Customer Relationship Management (CRM) which is underpinned by information and communication technologies (Ryals & Knox, 2001). By using information and communication technology, businesses are trying to get closer to the customer so that they can create long-term relationships and gain more knowledge from and about the customers. Firms are embracing CRM as a major element of business strategy, because technological applications permit a precise segmentation, profiling and targeting of customers and competitive pressures require a customer centric culture (Gurau, Ranchhod & Hackney, 2003).

Many new airline companies have swamped the market nowadays and it is a critical point of airline industry to make a strategic decision to survive and prosper in the market. At that situation, customer is critical since they are in the role which decides whether the airline company will earn profits or not; and finally, whether it will survive or disappear from the skies. CRM concept has been developing and become a top priority for airline companies and an essential component of the corporate strategy of airline companies to differentiate themselves from competitors in the eyes of the customer (Boland et al., 2002). The goal of service companies including airlines is to develop services which attract and keep customers who are satisfied, loyal and speak well of the airline (Gustafsson et al., 1999). As customer satisfaction are proven to enhance the service quality of the business, knowing how to provide passenger with satisfaction is vital for domestic airlines to increase its competitive advantages. Thus, the most important factor in attracting and retaining customer is service quality as satisfied customers will maintain their loyalty to the company. Therefore, this research is focused on domestic airlines in Myanmar and the choice of this is particularly based on the importance and contribution of air transportation to the social life of the people and the economy of the country. The study may contribute to the identification of the service inconsistencies offered by the domestic airlines. It is anticipated that the findings from this study can subsequently support the airline management to develop strategies to remedy the recognized incongruities.

STATEMENT OF THE PROBLEM

Nowadays, as world has become a global village with momentum of globalization in the world's economy and the rapid development in technology, the usage of airline services has been increasing around the world and Myanmar is no exception. The quality of life of air transportation services has been always one of the predominant factors that determine the economic progress of a country in the twenty first century. A growing economy and improve living standards have encouraged business cooperation and tourism in Myanmar, which directly benefit airlines and the airline industry has been growing rapidly. The growing of airline industry complements the growth of world trade, international investment, and tourism activities.

The growing of this industry has led to the governments around the world to deregulate the industry by enabling companies to form private airlines. In Myanmar, government has undertaken political and economic reforms to create a more open and deregulated economy with a greater role for the private sector and foreign investors. This will lead to entry of some foreign investors to Myanmar airline industry and to increase the investments of Myanmar national, thereby, velocity of the market in airline industry. The number of competitors raises at the same time the services available on the market differ less and less at their core. This has resulted in decreasing of customer retention and loyalty. To respond this, airlines are adopting CRM practices as much as they can as their competitive strategy.

In this sense, Myanmar airlines need to practice the CRM as a strategic move. By adopting CRM practices, they may get closer touch with its customers, in order to learn more about each one and to deliver greater value to each one more valuable to the airlines. Moreover, there is no previous studies on CRM practices for domestic airlines in Myanmar. For this reason, this study focus on exploring the role of CRM and identifying major factors that affect customer satisfaction, customer trust and customer loyalty. That are imperative for Myanmar airline industry in order to maintain their positions and to pursue growth of the business.

OBJECTIVES OF THE STUDY

This study aims to conceptualize the role of CRM and to explore the effect of CRM on airline industry in Myanmar. The specific objectives are:

1. To identify the customer relationship management practices of domestic airlines in Myanmar
2. To explore the effect of customer relationship management practices on the customer satisfaction and customer loyalty of domestic airlines in Myanmar
3. To analyse the effect of customer satisfaction on their trust in domestic airlines in Myanmar
4. To examine the effect of customer trust on customer loyalty of domestic airlines in Myanmar

SCOPE AND METHOD OF THE STUDY

This study mainly focuses on CRM Practices of domestic airlines in Myanmar. It means that the scope of this study is only on CRM practices of domestic airlines, not for other management aspects of the airlines and international airlines. There are seven domestic airlines which are currently operating in Myanmar. This study mainly focused on all domestic airlines to study the practices of CRM. Customer survey was taking place at Mingalardon Airport only. A total number of 50 passengers from each airline were selected for the survey. In sample selection process, the regular passenger who has travelled with the selected airline at least twice and is waiting at the departure hall are selected. Therefore, total passengers are 350. In this study, both primary and secondary data are used. This study is carried out by using exploratory research method. For data collection, survey technique is undertaken by using two sets of questionnaires: one for Airline managers and another for passengers. To meet with the objectives of this study, the primary data on CRM practices of airline industry are gathered with structured questionnaire and by conducting in-depth interview with responsible persons including managers of respective airlines. Base on conceptual framework of the study, five-point Likert type questionnaires were developed. To get the sample which could represent the customers of airlines, the simple random sampling is applied. Questionnaires are distributed to 50 passengers from each airline. It took about one month to get the necessary data. As secondary data, the periodical reports of airlines, various research papers and related articles in this field are used in this study.

LITERATURE REVIEW

This section mainly concerns with theoretical background including concepts and theories relating to Customer relationship management, customer satisfaction, customer trust and customer loyalty and literature review on its application in airline industry.

Concept of CRM

Basically, CRM is “an integrated approach to managing relationships by focusing on customer retention and relationship development” (Chen & Popovich, 2003). As a business strategy it started to appear in 1999. CRM stresses the importance of long-lasting relationships with customers and enhancing their loyalty and commitment to a company. It proposes various retention strategies and recommendations for creating customer loyalty. This thesis focuses on the CRM concept and the ways to build customer loyalty. Customer relationship management means different things to different people, even the three letter abbreviation CRM has not a unique clarification and understanding, most know CRM as the abbreviation for customer relationship management, some as customer relationship marketing, others believe that all customers don't want a relationship with a supplier, omit the word relationship using the term customer management, while another group might use the term relationship marketing. Based on their opinion whatever the CRM abbreviation is expressed it is a clear customer focus business practice (Buttle, 2004; Park & Kim, 2003).

According to Gray & Byun (2001), CRM system consists of the following three aspects presented as below:

- *Customer.* The customer is the only source of the company's present profit and future growth. However, a good customer, who provides more profit with less resource, is always scarce because customers are knowledgeable and the competition is fierce. Sometimes it is difficult to distinguish who is the real customer because the buying decision is frequently a collaborative activity among participants of the decision-making process, information technologies can provide the abilities to distinguish and manage customers. CRM can be thought of as a marketing approach that is based on customer information.
- *Relationship.* The relationship between a company and its customers involves continuous bi-directional communication and interaction; the relationship can be short-term or long-term, continuous or discrete, and repeating or one-time. Relationship can be attitudinal or behavioural. Even though customers have a positive attitude towards the company and its products, their buying behaviour is highly situational. For example, the buying pattern for airline tickets depends on whether a person buys the ticket for their family vacation or a business trip. CRM involves managing this relationship so it is profitable and mutually beneficial. Customer lifetime value (CLV), is a tool for measuring this relationship.
- *Management.* CRM is not an activity only within a marketing department. Rather it involves continuous corporate change in culture and processes. The customer information collected is transformed into corporate knowledge that leads to activities

that take advantage of the information and of market opportunities. CRM required a comprehensive change in the organization and people.

Customer Satisfaction

Customer satisfaction has been gaining increasing attention from the researchers and practitioners as a recognized field of scholarly study and is a fundamental tool used by service industry for enhancing customer loyalty and ultimately organizational performance and profitability. The importance of customer satisfaction cannot be dismissed because happy customers are like free advertising. A company would be wise to measure customer satisfaction regularly, because one key to customer retention is customer satisfaction (Jessi Hempel, 2006). A highly satisfied customer generally stays loyal longer, buys more as the company introduces new products and upgrades existing products, talks favourably to others about the company and its products, pays less attention to competing brands and less sensitive to price, offers product or service ideas to the company and costs less to serve than new customers because transactions can become routine. Therefore, marketing literature has focus on improvement of customer satisfaction. Satisfaction is defined by different studies in different ways. Hansemark & Albinsson (2004) argued that "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers expect and what they receive, regarding the fulfilment of some need, goal or desire". Customer satisfaction is the collective outcome of the customer's perception, evaluation, and psychological reaction to the consumption experience with a product or service (Khalifa & Liu, 2003). It leads to repeat purchase, retention, loyalty, positive word of mouth and increased long term profitability for the organization (Wirtz, 2003).

Customer Trust

A shift can be recognized in marketing from the importance of acquiring new customers to the retention of the present ones. The satisfaction of the consumer does not guarantee the retention of the consumers, the satisfaction is necessary, but sometimes insufficient to create, maintain or enhance consumer loyalty. So, the examination of consumer loyalty should involve the role of other factors, such as consumer trust, which has a critical role to enhance consumer loyalty. Trust is an impression of safety between the partners of an interaction or relationship (Garbarino Johnson, 1999), a belief that the other party will not abuse the vulnerability of the opposite party (Dwyer et al, 1987), and a willingness to rely on the trustworthy interactional party (Moorman et al, 1993). The trust is a cornerstone of strong long run relationships between consumers and organizations (Garbarino Johnson, 1999). It helps to reduce the uncertainty and risks in the transaction, in the state of trust the consumer accepts his or her own vulnerability with the positive expectations about the other party's intentions and behaviour (Rousseau et al., 1998). These three dimensions are the trusts in the competency of company, in the benevolence of the company and in the problem-solving orientation of the company. The operational competency involves the seller professional knowledge as an indicator of trust. The consumer expects consistent and competent performance of the service provider. The operational benevolence is an expectation of trustworthy responsibility, as an intention of the company's ethical behaviour. This motivation emphasizes that the service provider do not behave opportunistic, do not take its own interest ahead of the interest of the consumers. The problem-solving orientation helps to provide to companies, because every problem offer the chance to prove their commitment about service providing and thus create higher level of consumer trust.

Customer Loyalty

Customer loyalty is focal point for numerous business organizations (Vesel & Zabkar, 2009). The success of company sales are ensured by customer loyalty, which can be influenced by management action (Gerpott, Rams & Schindler, 2001). In emerging business competitions, the loyalty of customers had shown as a main feature in getting continue competitive advantage (Lin & Wang, 2006). Customer respect-oriented business organization will attract and develop loyal customers (Chang & Chen, 2007). Customer loyalty has been defined early that "It is normally the willingness of customer to maintain their relations with a particular firm or service/product" (Kim & Yoon, 2004). In reality loyalty should be explain as a customer commitment to do dealing with a particular firm, buying their products and services and referring it to colleagues (McIlroy & Barnett, 2000). By tradition, customer loyalty is divided into two components one is based on behavior and the other is based on attitudes (Guillén, Nielsen, Scheike & Marín, 2011). Rauyruen & Miller (2007) also explain customer loyalty as a merged concept of behavioral loyalty (willingness of customer to repurchase from and continue relationships with the company) and attitudinal loyalty (emotional attachments and advocacy of customers toward the company). Organizations could furthermore compile more accurate forecasts because loyal customers are more predictable and consistent in their purchasing behavior. Also, loyal customers are more likely to buy across product and service lines, thereby increasing the organization's profitability (Ang & Buttle, 2006:85; Faulkner, 2003:3), buy more of the product, advocate the product to others, and share knowledge and experience with family and friends.

Empirical Studies on Impact Of CRM

A research done by (Oliver, 1981) customer satisfaction is a positive response from customer after the use of product or services. According to research, company becomes competitive and successful if customers are satisfied with the performance of product or services (Hennig & Klee, 1997). Results of the study revealed that product and service performance meet or exceed from customer expectation leads to customer satisfaction (Blanchard & Gallow, 1994). Companies are now a day's not just focus on achieving on customer satisfaction also focuses on customer delight because customer loyalty can be increase by giving more value. Many research models have been developed to explain the effect of trust on customer loyalty (Crosby et al., 1990). One of the study examples that investigated the relationship between trust and customer loyalty in Airline Industry was conducted by (Teichert & Rost, 2003). They also concluded that trust is a major constituent element of relational customer loyalty, supported in different measure by affective and cognitive involvements.

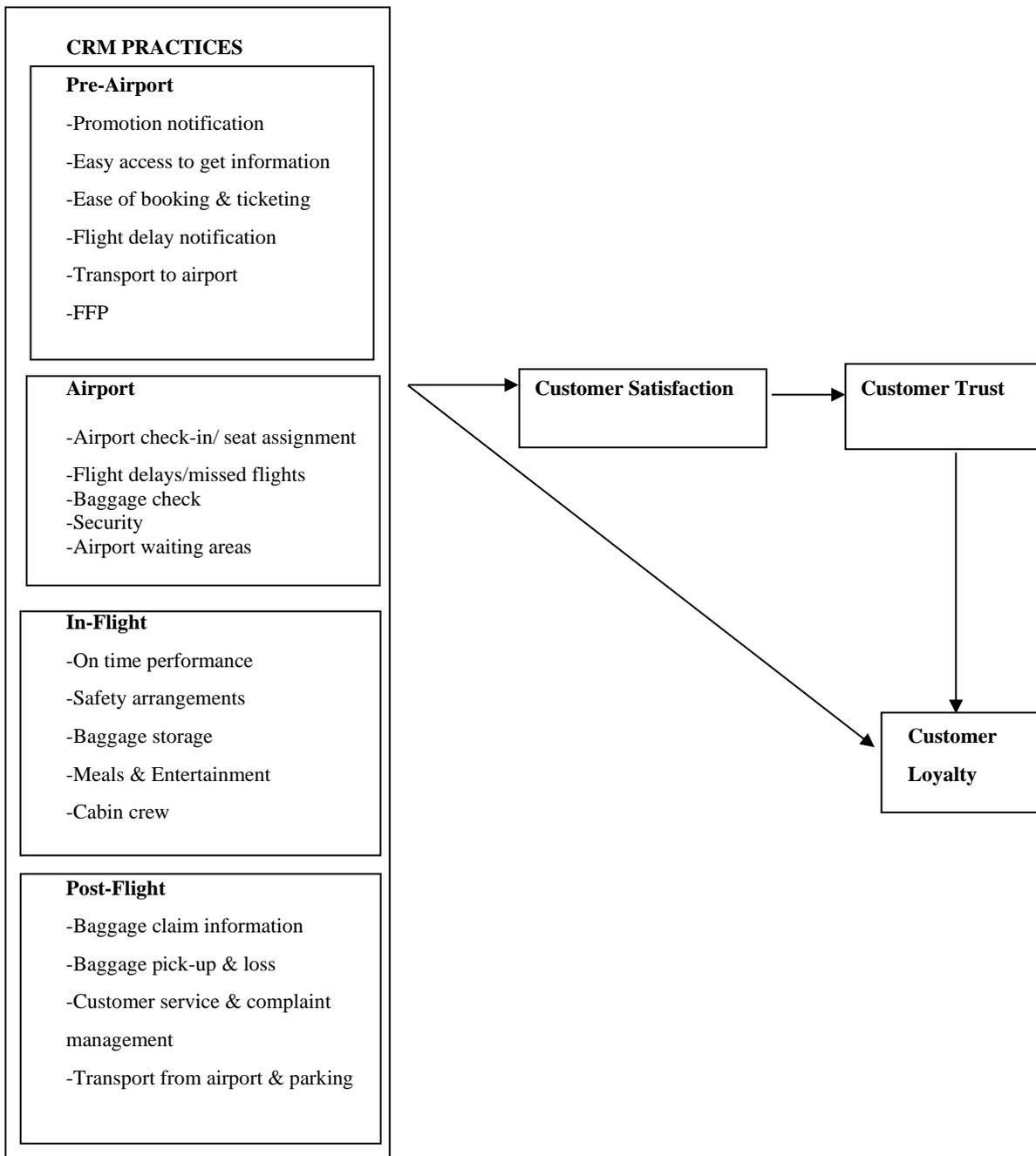
Trust is shown to have a positive influence on key relational outcomes (e.g. repeat purchase behaviour), customer loyalty, and share of purchases (Doney et al., 2007). However, Sang Lin et al., (1993) claimed that there are many characteristics of a good relationship; among these, mutual trust in the relationship helps the customer to become involved in satisfactory exchanges. Thus, the concept of trust is used to describe a successful relationship (seen as one of the relationship outcomes or post-behaviour evaluation terms) between two parties; however, trust alone cannot maintain the continuation of the relationship or explain loyal behaviour. Also, it cannot be used to study the actual repeat purchase behaviour or how the contractual relationship with a subscriber can be extended on the basis of trust in an operator and elimination of the effects of other factors such as pre behaviour stimuli and post-behaviour incentives. Hess & Story (2005) found that satisfaction is antecedent to trust but primarily contributes to functional supplier-customer connections.

The findings differ from studies conducted Soderlund & Julander (2001) who found that by creating customer satisfaction, customer satisfaction then it can increase trust in the company, Customers who believe it will tend to loyal to the company (Sirdeshmukh et al., 2002; Maharsi and Fenny, 2006; Sohel, 2008; Akbar and Parves, 2009). So the most important to create customer loyalty by creating customer satisfaction, then the trust will be formed and ultimately can create customer loyalty (Wang et al., 2008; Bowden et al., 2009). Thus, to establish customer loyalty, there are two variables: the satisfaction and trust that must be considered. Theoretically Kotler & Keller (2006) stated that the impact on customer satisfaction with the latest on customer loyalty. High customer satisfaction can generate customer loyalty. But it turns out empirically the relationship between customer satisfaction and customer loyalty is very diverse, which is the researchers proved that satisfaction has positive and significant impact on customer loyalty.

Conceptual Framework of The Study

Customer relationship management means different things to different people, there is no comprehensively accepted definition of CRM. In this research, working definition of CRM: "CRM is the strategy for strengthening long term relationship and enhancing customer value with individual key customer to increase customer satisfaction, customer trust and customer loyalty (Ngai, 2005). The success of CRM concept requires accurate measurement of relationship among CRM practices and customer satisfaction, trust and loyalty. The following figure shows the conceptual framework of study.

Figure: Conceptual Framework of the Study



Source: Own compilation based on literature review

In figure, it can be seen that the dependent variable is customer loyalty. Whereas the independent variable would be usage of customer relationship management practices and the intervening variables are customer satisfaction and customer trust. Figure reflects the relationship between the independent variable and dependent variable. An independent variable is variable that is expected to influence the dependent variable through intervening variables. These relationships are important as they can lead to increase customer loyalty for the business. By using CRM practices, airlines can efficiently fulfil the needs of customers and create the satisfaction and build trust of the customers. Customer satisfaction and customer trust can affect customer retention levels which eventually affect their loyalty.

RESULTS AND DISCUSSION

Profile of Domestic Airlines

At present the country has seven domestic airlines. One is state-run, two are joint ventures and four are private. The following Table shows list of domestic airlines currently operating in Myanmar.

Table (3.1) Domestic Airlines Currently Operating in Myanmar

Name	Commenced Operation	Type of Ownership	Type of Airline	Operating Destinations	Fleet
Myanmar National Airlines	1948	State Own	Scheduled	27	12
Air Mandalay	1994	Joint Venture	Scheduled & Chartered	12	3
Air Thanlwin	1996		Scheduled & Chartered	13	3
Asian Wings Airways	2011	Private Own	Scheduled & Chartered	11	3
Air KBZ	2011		Scheduled & Chartered	14	4
Golden Myanmar Airlines	2011		Scheduled & Chartered	14	10
Mann Yadanapon	2015		Scheduled	19	3

Source: Survey Data (2020)

CRM Practices of Domestic Airlines in Myanmar

The CRM practices of seven domestic airlines are explored based on four sales cycle stages: Pre-airport, Airport, In-flight and Post-flight. The purpose of the analysis is to find out the airlines' CRM practices through giving special services throughout the lifecycle with aims of realizing customer satisfaction, trust and thereby, building customer loyalty. The questionnaire is developed with nine questions for Pre-airport stage, seven questions for Airport stage, six questions for In-flight stage and eight questions for Post-flight stage. In order to measure the extent of application in CRM practices, the question is set up with five-point Likert Scales ranged from 1 for not used at all to 5 for always used. The results of analysis on application of CRM practices are presented in Table (3.2).

Table (3.2) CRM Practices at Sales Cycles Stages by Domestic Airlines

CRM Practices	Myanmar National Airlines	Air Mandalay	Air Thanlwin	Asia Wings	Air KBZ	Golden Myanmar	Mann Yadanapon	Average
Pre-airport	3.67	3.67	4.33	5.00	5.00	4.78	4.00	4.35
Airport	3.86	4.29	4.29	4.00	4.43	4.43	4.43	4.25
In-flight	4.67	4.67	4.83	4.56	4.67	4.83	4.83	4.72
Post-flight	3.75	3.88	3.75	4.43	4.50	4.38	4.13	4.12

Source: Survey Data (2020)

Effect of CRM Practices on Customer Satisfaction

To determine the effect of CRM practices of domestic airlines in Myanmar on customer satisfaction, linear regression model is used. Customer satisfaction on CRM practices is measured by four sale cycle stages with 30 different CRM practices and each practice was measured on five-point likert scale.

Table (3.3) Effect of CRM Practices on Customer Satisfaction

	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	.964***	.109	8.808	.000
CRM at Airport stage	.307***	.037	8.232	.000
CRM at Post-flight stage	.325***	.041	7.923	.000
CRM at Pre-airport stage	.137***	.030	4.500	.000
R ²	.675			
Adjusted R ²	.673			
F- value	239.983***			

Source: Survey Data (2020)

From the result of above Table, the significant value of CRM at Airport stage, CRM at Post-flight stage and CRM at Pre-airport stage is lower than the level of significant level at 1%. It means CRM practices at Airport stage, CRM practices at Post-flight stage and CRM practices at Pre-airport stage are among the CRM practices meeting expectations of passengers flying domestic airlines in Myanmar and give significant impact to customer satisfaction. This situation shows that airlines providing CRM practices in domestic airlines have realized customer value-oriented activities. Effective CRM practices must cultivate customer satisfaction by adopting to the evolving needs and wants of customers. The height and continuity of the value perceived and satisfaction by a passenger can positively affect the loyalty to be formed in that customer towards a particular airline.

Effect of Customer Satisfaction on Customer Trust

To determine the effect of customer satisfaction on customer trust, linear regression model is used. Customer satisfaction on customer trust is measured with 30 questions on five-point likert scale.

Table (3.4) Effect of Customer Satisfaction on Customer Trust

	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	2.340***	.101	23.270	.000
Making right decision	.178***	.023	7.896	.000
Understanding specific needs	.075***	.025	3.024	.003
Prompt ticketing	.052***	.011	4.763	.000
Convenient flight schedule	.055***	.012	4.413	.000
Efficient baggage services	.097***	.024	4.026	.000
Inconvenient of baggage	-.069**	.028	-2.495	.013
Provide individual attention	.062***	.024	2.621	.009
Inconvenient check-in	-.086***	.033	-2.618	.009
Staffs' courteous	.100***	.036	2.769	.006
In-flight entertainment	-.054**	.026	-2.078	.038
R ²	.544			
Adjusted R ²	.530			
F- value	40.413***			

Source: Survey Data (2020)

According to the results from the above Table, regression analysis carried out to determine the influence of customers' satisfaction level on the level of trust to a particular airline company. The significant value of making right decision, understanding specific needs, prompt ticketing, convenient flight schedule, efficient baggage services, provide individual attention, inconvenient check-in and staffs' courteous is lower than the level of significant at 1% level. Inconvenient of baggage and in-flight entertainment is lower than the level of significant at 5% level. The sign of coefficient of customer satisfaction on customer trust is positive, it can be concluded that customer satisfaction is positively relationship with customer trust. If the sign of coefficient of customer satisfaction on customer trust is negative, it can be concluded that customer satisfaction is negatively relationship with customer trust. According to the result, making right decision, understanding specific needs, prompt ticketing, convenient flight schedule, efficient baggage services, provide individual attention, inconvenient check-in and staffs' courteous are positive and inconvenient of baggage and in-flight entertainment are negative. It means the more they feel they can make right decision, airlines understand their specific needs, prompt ticketing, convenient flight schedule, efficient baggage services, provide individual attention, the more they trust on airline. Negative results of inconvenient of baggage means that if the airlines provide inconvenient of baggage, it can lost the customer' trust. Similarly, as airlines provides inconvenience check-in, passengers will be disappointed on them. As In-flight entertainment, most of passengers are business man and they travel for business matters. When they travel by air, they want to take a rest or they want think about their business affairs. Sometime entertainment may be noise and annoy for them. That is why in-flight entertainment may lead to passengers' dissatisfaction and lost of trust.

Effect of Customer Trust on Customer Loyalty

This section examines the effect of customer trust on customer loyalty. To determine the effect of customer trust on customer loyalty, linear regression model is used. From the results of below Table, it is found that customer trust has positive relationship with customer loyalty. The significant value of trust with airlines, feel safe, convenient, good baggage handling system, on-time performance, airlines' open communication, good impression, concerned about well-being and caring is lower than the level of significant at 1% level and consistent of airline service and easy is lower than the 5% level. All the variables are positive except consistent of airline service, airlines' open communication and concerned about well-being. That means the variable has a significant relationship of customer trust on customer loyalty. Negative results of consistent of airline service means that airlines provide ground and In-flight services are consistently good cannot give loyalty because they need In-flight service more than ground service. For airlines' open communication and concerned about well-being, sometimes passengers feel open communication and concerned them can affect their privacy. Hence, these negative effects can decrease passengers' loyal level.

Table (3.5) Effect of Customer Trust on Customer Loyalty

	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	.888***	.288	3.081	.002
Trust with airlines	.287***	.050	5.783	.000
Feel safe	.230***	.038	6.085	.000
Easy	.118**	.059	1.999	.046
Convenient	.154***	.044	3.489	.001
Good baggage handling system	.113***	.038	2.963	.003
Inconsistent of airline service	-.102**	.041	-2.516	.012
On-time performance	.184***	.059	3.100	.002
Airlines' open communication	-.252***	.068	-3.740	.000
Good impression	.159***	.054	2.924	.004
Concerned about well-being	-.125***	.046	-2.703	.007
Caring	.114***	.041	2.770	.006
R ²			.461	
Adjusted R Square			.443	
F value			26.236***	

Source: Survey Data (2020)

EFFECT OF CRM PRACTICES ON CUSTOMER LOYALTY

Customer loyalty on CRM practices is measured by four sales cycle stages with 30 different CRM practices and each practice was measured on five-point likert scale.

Table (3.6) Effect of CRM Practices on Customer Loyalty

	Unstandardized Coefficients		t	Sig
	B	Std. Error		
(Constant)	2.602***	.219	11.906	.000
CRM at In-flight stage	.272***	.060	4.569	.000
CRM at Pre-airport stage	.224***	.062	3.600	.000
R ²	.169			
Adjusted R ²	.164			
F- value	35.217***			

Source: Survey Data (2020)

According to the result of above Table, although all domestic airlines are applying CRM Practices throughout the sales cycle stages, there are effect of CRM Practices only on two stages of the sales cycle stages such as In-flight stage and Pre-airport stage. CRM practices on Airport stage and Post-flight stage cannot get the passenger’s loyalty. Because most of CRM practices on Airport stage and Post-flight are least provide airlines themselves. Significant value of CRM at In-flight stage and CRM at Pre-airport stage is lower than the level of significant level at 1%. It means CRM practices at In-flight stage and CRM practices at Pre-airport stage are among the CRM practices meeting expectations of passengers flying domestic airlines in Myanmar and give significant impact to customer loyalty. Most of passengers become loyal as they are providing easily find the airlines’ information, ease of booking, ease of ticketing and they get customize services. Furthermore, when they are flying, they can travel on time, safety, and ease of baggage. Effective CRM practices must cultivate customer loyalty by providing the needs and wants of customers. The height and continuity of the value perceived and satisfaction by a passenger can positively affect the loyalty to be formed in that customer towards a particular airline.

CONCLUSION

CRM has been a key element of the modern marketing in recent years. All around the world companies in different types and sizes including airline companies have been trying to utilize CRM practices to help them with their competitive businesses. On the other hand, because of vigorous competition, not only acquiring new customers is becoming difficult but also holding existing customers is a quite challenging task. Thus, this research studies that how the domestic airlines in Myanmar use the CRM practices and explore the effect of CRM practices on customer satisfaction, customer trust and that lead to customer loyalty on domestic airline in Myanmar. To get these objectives, this research studies both side of domestic airlines and their passengers.

FINDINGS AND DISCUSSIONS

This section is divided into two parts. Part one is finding from the objective 1 which is to identify the customer relationship management practices of domestic airlines in Myanmar. Part two is analysing from the objective 2 to 4 which are the effects of CRM practices on the customer satisfaction, customer trust and customer loyalty of domestic airlines in Myanmar. Firstly, findings from all domestic airlines in Myanmar are described as below. According to the structure of the organization, there is no customer relationship department or customer service department separately although CRM practices are using all domestic airlines in Myanmar. Customer relationship and services are under the control of marketing department or Customer service department. They have well established customer database and review this database regularly. They faced some problems when start implementing the CRM practices system such as IT problem, taking time for training, facing employees’ resistance and costs. However, now all domestic airlines are accustomed with CRM system and consumes the fruits of this system.

In domestic airlines in Myanmar, CRM practices of seven domestic airlines are explored based on four sales cycle stages: Pre-airport, Airport, In-flight and Post –flight. From the airline’s perspective, finding shows all the domestic airlines in Myanmar are using the CRM practices. According to the analysis of seven domestic airlines, Asia Wings airline is the mostly use the CRM practices among the domestic airlines in Myanmar and Myanmar National Airlines is the least. It indicates that private airlines are more use the CRM practices than state own airline. Myanmar National Airlines is not only the earliest airline in Myanmar but also the State own airline. As a State own airline, it has more fleet and more fly to different destinations around the country than other joint or private airlines. Furthermore, price is cheaper than other private airlines and it doesn’t have the Frequent Flyer Program (FFP) which is the one of CRM practices to attract and maintain passengers. That is why although Myanmar National Airlines use the CRM practices, it is an airline which use the least CRM practices among other airlines. On the other hand, some airlines such as Myanmar National Airlines, Air Thanlwin, and Golden Myanmar are using least CRM practices in Pre-airport stage. It shows

that airlines not much use in advertising to give information about their airlines and never inform promotion notification to each passenger. Moreover, frequent flyer account management is never use in these airlines because of they all are low cost airlines in originally and they never attract or promote passengers in such ways. In Yangon Airways and Air KBZ, Post-flight stage is the least use of CRM practices. They are not much arranged in baggage claim information, baggage pick-up, lose baggage management, customers service & complaint management and transportation from airport & parking, car/hotel services. Main reason for these least using is transportation from airport & parking, car/hotel services. They never offer these services for any passengers. Air KBZ and Asia Wings are using least CRM practices in Airport stage. In the airport stage, this airline never gives services such as airport shopping & dining, club room access and airport waiting areas because airport is the state own place and they don't have chance to arrange these services.

According to the results, regression analysis carried out to determine the influence of customers' satisfaction level on the level of trust to a particular airline company. The significant value of making right decision, understanding specific needs, prompt ticketing, convenient flight schedule, efficient baggage services, provide individual attention, inconvenient check-in and staffs' courteous is lower than the level of significant at 1% level. Inconvenient of baggage and in-flight entertainment is lower than the level of significant at 5% level. The sign of coefficient of customer satisfaction on customer trust is positive, it can be concluded that customer satisfaction is positively relationship with customer trust. If the sign of coefficient of customer satisfaction on customer trust is negative, it can be concluded that customer satisfaction is negatively relationship with customer trust. According to the result, making right decision, understanding specific needs, prompt ticketing, convenient flight schedule, efficient baggage services, provide individual attention, inconvenient check-in and staffs' courteous are positive and inconvenient of baggage and in-flight entertainment are negative. It means the more they feel they can make right decision, airlines understand their specific needs, prompt ticketing, convenient flight schedule, efficient baggage services, provide individual attention, the more they trust on airline. Negative results of inconvenient of baggage and inconvenient check-in means that if the airlines provide inconvenient of baggage, it can lost the customer' trust. And negative result of in-flight entertainment means bad or good entertainment system is not effect on customer trust.

From the results of analysis, it is found that customer trust has positive relationship with customer loyalty. The significant value of trust with airlines, feel safe, convenient, good baggage handling system, on-time performance, airlines' open communication, good impression, concerned about well-being and caring is lower than the level of significant at 1% level and consistent of airline service and easy is lower than the 5% level. All the variables are positive except consistent of airline service, airlines' open communication and concerned about well-being. That means the variable has a significant relationship of customer trust on customer loyalty. As the overall view of results, CRM practices are more influence customer satisfaction than customer loyalty. At last not the least, application of CRM practices in domestic airlines affect customer satisfaction and directly influences satisfaction level among customers. CRM causes higher loyalty of passengers and makes barrier in front of customer switch. Customization of services, communicational efforts by the airlines, having trust in the airlines, commitment of airlines to promised service offer and better service quality are main factors influencing customer satisfaction, trust and loyalty. Airlines should struggle to gain as much knowledge as possible to understand the real needs of customers and fulfil them for creating longer relationships and making them satisfied and loyalty.

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Dr. Ohn Mar Myint
Associate Professor
Department of Business Management
National Management Degree College, Myanmar
Email: julytm19@gmail.com