

**Master Program of Modern Service Management  
(Hotel Management), 2007**

**University of Stavanger, Norway—Institute of Tourism, Beijing Union University**

**20<sup>th</sup> Dec, 2008**

**Institute of Tourism, Beijing Union University /University of Stavanger**

**Name of the major:** Service Management

**Name of the dissertation:** Effects of Client Symbiosis to the Competitiveness of the Commercial Business Hotel

**Date:** 20<sup>th</sup> Dec, 2008

**Name of the student:** Gao Hong and Wang Yali

## Contents

<b>I. FUNCTION POSITIONING AND BASIC COMPETITION APPROACH OF BUSINESS HOTEL.....</b>	<b>1</b>
(I) FUNCTION POSITIONING OF BUSINESS HOTEL.....	1
(II) PRICE WAR IS THE ORIGINAL METHOD OF INITIAL COMPETITION OF BUSINESS HOTEL .....	3
(III) CLIENT CONSCIOUSNESS GUIDE OF BUSINESS HOTEL .....	5
<b>II. THE CLIENT SYMBIOSIS IS THE BEST MEASURE TO RESERVE THE CLIENTS.....</b>	<b>7</b>
(I) CLIENT SYMBIOSIS DEFINITION.....	8
(II) CLIENT LOYALTY .....	10
(III) CUSTOMER RELATIONSHIP CATEGORY .....	13
(IV) CLIENT LIFE CYCLE ANALYSIS OF BUSINESS HOTEL .....	14
(V) MAINTAIN CLIENT: PURSUIT LONG TERM RELATIONSHIP WITH CLIENTS .....	16
<b>III. THE CORE BELIEFS OF CLIENT SYMBIOSIS——WIN-WIN.....</b>	<b>19</b>
(I) STICK TO THE MANAGEMENT BELIEF OF WIN-WIN.....	19
(II) THE DIFFERENCE BETWEEN CUSTOMER COOPERATION RELATION & TRADITIONAL TRANSACTION MARKETING.....	21
(III) CORE CONCEPT OF THE CUSTOMER COOPERATION RELATION: MUTUALLY CREATE THE VALUE .....	21
<b>IV. BUSINESS CLUB CUSTOMER RELATION ESTABLISHMENT PROCESS .....</b>	<b>26</b>
(I) PERCEPTION .....	28
(II) EXPLORATION .....	30
(III) EXTENSION .....	30
(IV) LOYALTY .....	31
<b>V. THE BASIC MEASURE TO ESTABLISH &amp; MAINTAIN THE CUSTOMER COOPERATION RELATION.....</b>	<b>35</b>
(I) MEMBER SYSTEM BASED ON CRM CUSTOMER RELATION MANAGEMENT .....	35
(II) ESTABLISH GOOD COMMUNICATION CHANNEL .....	39
(III) POSITIVELY PROMOTE THE SERVICE & PRODUCT INNOVATION.....	39
(IV) ESTABLISH THE ENTERPRISE CULTURE APPROPRIATE FOR THE CUSTOMERS.....	41
(V) GRADUALLY IMPROVE THE ENTERPRISE REPUTATION.....	43
(VI) THE EMOTION IS THE CATALYST & COAGULATOR OF THE CUSTOMER RELATION MARKETING .....	44
(VII) PERFECT ENTERPRISE INTERNAL MARKETING MANAGEMENT SYSTEM.....	45
<b>REFERENCE DOCUMENTATION: .....</b>	<b>47</b>
<b>ANNEX: SURVEY QUESTIONNAIRE .....</b>	<b>48</b>

## **Abstract**

There are many researches on the satisfaction of the clients and the competitiveness of the enterprise in present days, but this dissertation focuses on the aspect of the client symbiosis, an factor to influence the competitiveness of one enterprise, intending to research on the foundation and maintenance of the symbiosis between the enterprise and client besides its effects to the satisfaction of the clients. The relationship has transfer from what you do to and for your clients to what you can do with them.

The object of this dissertation to give analysis is relationship, which mainly focus on several specific business hotels with the aspect of the clients (members, sub-members and potential clients) to analyze. The goal is to treat the clients as the valuable cooperators, and meet their demands through the services of high quality and then found the clients loyalty.

The theoretical base of this dissertation is the Relationship Marketing Theory, which researches on how to found a kind of symbiosis relation with the clients through the ways of investigation and interview etc, focusing on the importance of the relationship marketing in the enterprise marketing so as to realize the win-win between the enterprise and clients and then provide the reference for present business hotel industry.

**This dissertation will give description from following 5 aspects:**

### **Part one: Functional Orientation and Basic Competition Measure of the Business Hotel**

At first, this dissertation will give an introduction to the detailed present situation of business hotel, this kind of new industry, including its background when emerging, orientation of its functions, tendency of the consciousness of the clients, and then give analysis to the basic competition measure in the early stage of the business hotel developments, e.g. the price war and then introduce the concept of the client symbiosis.

The business hotel gives the business integration to three main functions including star-ranked hotel, health conservation and amusement and the dining-drinking, and connect with the Chinese business hotel culture, bath culture and dining-drinking culture, all these have created a Chinese hotel typed bathing industry. It takes the business feasts, amusement and health conservation as the orientation of its administration, combines the business, bathing, dining-drinking and hotel into one integration, while its refined environments, superior tastes and the amusement atmosphere have attracted the preference of the businessmen, even the common consumers can enjoy here and are unwilling to leave when playing here.

However, the price war is the original measure of the business hotel to compete in its early stage. It is the most sensitive stage among the administration activities; like a hair which can make whole body ache when pulled, price change of one time is sure to affect each aspect. With the seller-dominated market gradually changing into the buyer-dominated one, it becomes the key

consideration for all the business hotels to hold clients, to reserve clients and attract new clients in the markets full of the competitions among many business hotels.

The business hotel has several kinds of the resolutions as for the price war: low price, increase the price or decrease the price. When the business hotel industry rose in the early time, it was easy to join the market, so many enterprises turned to this industry, and the low price was the most important character. The enterprises always ignored the orientation and quality of the products, only focused on the price, while the entrance ticket was between RMB 20-50. With the continuous developments of the bathing industry, many enterprises found the great commercial chances and consumption potentials of this industry, so they increased the price one by one. As the most direct market competition measure, the price promotion strategy can work thoroughly and promote the sales. But the investigation practices showed that after the market competition and the real experiences of the clients, the price promotion never adapts to demands of present “captious” clients, which couldn’t meet the requirements of the ardent market competition.

The price competition is the important contents of the market competition but not the whole. The enterprise should fully realize that the price competition is the only appearance of the market competition, so only the improvements of the consumer’s services satisfaction and acquisition of the loyalty trust from the consumer could last long than the pure price discount.

## **Part Two: the client symbiosis is the best measure to reserve the clients**

This part mainly gives detailed to the client symbiosis, combines the business hotel industry, and analyzes the effects of the symbiosis in the attempts of winning the client loyalty and gaining the enterprise competitiveness.

The client relationship is the center and start points of all administration activities of one enterprise, so the client symbiosis is the center and destination of the relationship marketing. The said client symbiosis is the activity to found the long-term business relationship between the enterprises and clients. It requires us to centralize with the clients, accentuate the demands and desires of the clients, strengthen the client services, and continuously pursue the dialogues among the clients and provide the resolution for the users so as to improve the impressions of the enterprises in the minds of the clients, which forms the trust and dependence of the clients to the enterprise, expands the loyalty of the clients to the brand of the enterprise and keep, and keeps the stable market shares.

In order to strengthen the competitive advantage of the enterprise, the client relationship marketing is more and more accentuated by the enterprises. The loyal clients are the great wealth of the enterprises, while it is the central goal for the client relationship marketing to found the client loyalty.

With the changes of the consumption idea, consumption level and consumer group, whether the clients are satisfied with the products and services becomes the crucial element of the enterprise development, while the satisfaction of the clients is the source of the benefits of the enterprise, and

the it is the importance for the enterprise marketing to further develop from the client satisfaction to the client super-satisfaction.

The client is the basic for the enterprise to survive and develop, while the essential of the market competition is the competition for the client resources, hence any enterprises should rely on the clients. Konosuke Matsushita, the initiator of Matsushita Electric Industrial Co., Ltd said frankly: "As for me, nobody deserves appreciating than client, I always teach the staff not to forget to be grateful to clients." As the results of the competition, the clients become difficult to gain and the costs increase, so more and more enterprises turn to keeping the present clients, so they try to found the long-term and friendly relationship with the clients and regard this kind of relationship as the most valuable assets of the enterprises, which become the goal and center of the client relationship marketing. The said long-term symbiosis means that there should be highly loyal clients.

The competitive advantages among the enterprises are never based on the characters of the products, while the benefits of the enterprises related too much to the degree of meeting the demands of present consumers.

The traditional marketing science produces the product life cycle theory, while the relationship marketing science the client life cycle theory. These two kinds of theories are almost same in the classifications of the cycles and description to each stage of one cycle despite of many differences, but they have the different stand point, e.g. the traditional marketing focuses on the pure sale while the relationship marketing on the client reserve.

For a long time, many business administrators and marketing scholars have summarized a principle: it will cost 5-10 times to gain a new client than maintain an old one.

In the old time, the enterprise focused mainly on the foundation of the new clients, this kind of "aggressive" strategy included attracting those clients who were unsatisfied with the competitors besides gaining new clients, especially in the time of ardent competition (Stoback, *Services Industry Management International Magazine*, 1994, P.22~23). But we accentuate that we should found a kind of cooperated and lone-term relationship with the clients and focus on retaining the clients.

It is the key of the client relationship management to identify whether clients can produce benefits and how much he can produce. A client able to bring about the benefits refers to an individual, family or enterprise that can continuously bring about the income flows with the time passing by, while the continuously brought income flow is more than the acceptable enterprise cost flows produced when attracting, promoting and serving the client.

### **Part three: the central idea of the client symbiosis strategy is win-win**

The emergence and increasing emphasis on the relationship marketing method betray that not only the people have the wider realization to the market marketing field but also the center of the

enterprise marketing in the time of knowledge economy has developed from the market transaction to foundation of various kinds of relationship. The relationship marketing was a kind of new method and new concept adopted widely in many industrial fields of western countries after 90s of 20 century. As one of key element to promotion and opening the markets, the public relationship was once introduced into Kotler's great marketing theory, but with the advent of the knowledge economy, relationship marketing has more comprehensive and intensive implication.

The relationship marketing is very different from the traditional transaction marketing. The main contents of the transaction marketing is 4ps, while the relationship marketing breaks its frame, and extend the enterprise's administration activities into wider and deeper layer, for example, the transaction marketing focuses on the transaction, and the enterprise seduces the other parties to finish the transaction and then benefits from this, while the relationship marketing will benefit from the foundation of the nice symbiosis with the cooperated enterprises; the transaction marketing accentuates on how to continuously develop new clients, while the relationship marketing focuses more on how to better reserve the old clients; the transaction marketing limits its view on the targeted market, e.g. various kinds of client groups, while the relationship marketing covers wide scope including the clients, suppliers ,dealers, competitors, banks and internal staffs etc; the former emphasizes on the accomplishment of the transaction activity rather than client services, while the latter accentuates the client services and client satisfaction, price is no longer the most important competition measure; the former focuses on the limited client participation and proper client contacts, while the latter on the comprehensive client participation and tense client connection.

Co-production of values, e.g. win-win, refers to that the enterprise and the client can benefit on the basic of guaranteeing the benefits of the other party during the administration activities. There is a statement that the profitable deals are not all successful ones, while the successful ones are always the satisfying ones, which is the accurate depiction to the contents of win-win.

The consumer will give judgments and choices according to his own demands when choosing a business hotel, while the environments, services and dining-drinking of the hotel should all meet the standards required by the consumer. Especially the loyal clients should require the business hotel to be able to provide services according to their wills.

Principle of value co-production can provide the clients with many knowledge and specialty about the bathing, foot massage and massage besides the high honor brought about by these so that the clients can form the deep impression and attachment to the business hotel and its products; it can help strengthen the trust of the clients to the enterprise and its product quality; while the clients become the members of the business hotel, they may experience more fun here.

Due to the service characters of the business hotel, the interaction between the clients and enterprise is where the value is produced, while the basic elements of value co-production covers 4 parts including dialogue, acquisition, risk evaluation and transparency.

## **Part four: process of founding the business hotel-client relationship**

In order to know the elements affecting the client satisfaction, we utilized time of two weeks and gave the questionnaire investigation to the clients during the rush hour of each day, e.g. 18-20 o'clock, and then gave the detailed analysis to the process of founding the business hotel-clients relationship.

### 1. Perception

Perception refers to the consciousness of the consumer to a business hotel about "a place suitable for consumption and amusement". Though the consumption and purchase still fails to occur, there are still many "orientation" and "states" to improve the mutual attraction.

### 2. Exploration

Exploration refers to the "investigation and test period" between the enterprise and clients. In this period, the potential involved parties both consider about the "responsibility, obligation and benefit" of relationship.

When one enterprise or business hotel just opens, the consumers will like to have a try to experience to buy, they will give investigations from aspects of the environment, products and services etc, so they can be called as "simple" consumers in this time, and then the first impression is very important.

### 3. Expansion

Extension refers to that the benefits gained by each party continue to increase and improve dependently. This period has prominent differences from the early period, which is that the primary trust and mutual satisfaction can result the willingness of undertaking the risk.

### 4. Loyalty

Loyalty refers to the explicit or implied guarantee of continuing the relationship between enterprise and consumer. In this period, both parties have the definite expectation to the mutual roles and goals, and the mutual trust has improved the effects and efficiency without bargaining.

### 5. Dismissal

When the relationship can't develop further, it will be cancelled or terminated.

## **Part five: basic measures of founding and maintaining client symbiosis**

### 1. Member system based on CRM

The client relationship management intends to use the CRM software system, produce the long-term and annual client relationship marketing plans and the communication strategies, submit the reports in regular time, carry out each benefit provided by the enterprise to the clients, settle down the complains of the clients, maintain the nice relationship with the clients, and prevent the clients from losing.

## 2. Found the nice communication approach

We should boost the nice communication so that the communication becomes a nice marketing weapon. We follow the principles of “Knowing all the information about oneself and other party, to be moderate and prudential, to honestly treat each other and the goal being definite”. Through continuous communication, each time staffs of each department in the enterprise contact clients can help find the possible potential chances for enterprise.

## 3. Actively boost the service and product innovation

Ways of increasing the financial and international communication benefits of the clients intend to provide specialized and individualized products and services through realization to the specific demands of the guests so as to found the nice relationship between the enterprises and consumers; there are two points to found the stable and convenient connection relationship with clients: founding the contact institutes for the business hotels, providing the communication equipments, both can strengthen the relationship with the clients in physical forms.

## 4. Found the enterprise culture suitable for the clients

The enterprise cultures are the important invisible assets of enterprise with the crucial effects to the survival and developments of the enterprise. Modern enterprise should have its own characteristic enterprise culture and boost the economic developments of the enterprise through this kind of invisible spiritual power.

## 5. Continuously improve the credits of the enterprise

In order to maintain clients, we should identify what type of client he is (such as 5 kinds of clients mentioned above) and how much the lifelong value of each client is.

## 6. Passion is the “activator” and “solidification medicament” of the client relationship marketing

In commodity transaction, Chinese accentuate on the passion very much even since. Confronted with the threats of the competitions from the international enterprises with the strengths, products with nice quality and rich marketing experiences, we should fully consider the characters of our country, and then give the emotional marketing to the domestic clients. Through the passions of nationality, friendship, classmate, teacher-student and family etc, we try to find the potential clients and open the client markets, and then found and strengthen wide client relationship through the cultivation and enhancement of the passion.

## 7. Perfect enterprise-internal marketing management system

The clients relationship management is a perfect process comprised of the internal and external processes. The external client value is produce by the internal clients, so the external client values can't be guaranteed if the internal clients are unsatisfied.

The basic logic relation of this dissertation is from theory to practice and then return to theory, intending to tell many present enterprise managers and administrators that the shown defects of the traditional marketing should be avoided or eliminated, we should consider the future of the enterprise from the views of being long-term and further development so as to gain the central market competitiveness, which are both natural and necessary.

**Key words: Business Hotel   Client Symbiosis   Relationship Marketing  
Consumption   Value   Management**

With human being as the core, the world derives four kinds of basic relationships they are: the relationship between human beings and the nature, the relationship between human beings and the society, the relationship between human beings and the relationship between human being and itself. This is the evolution of relationship marketing.

With the market changes from the sell-side to the buy-side and the coming of emotional consumption and personalized consumption, the traditional way of marketing gives way to relationship marketing which emphasizes “cooperation”. Relationship marketing is a kind of activity to identify, establish, maintain and consolidate the relationship between enterprise and the consumer as well as other interested party. Its substance is to establish non-business connection based on buying and selling to ensure that the business connection will be established and happen constantly. The core of relationship marketing is to establish and develop long term relationship with related individual and group and take the interest of the two parties into consideration. As a subsystem of the large social economy system, we should pay attention not only to the clients but also the relationships in the overall situation: such as the internal relationship of enterprise, the relationships between enterprise and its competitor, social organization and government. Among them, the client relationship marketing is the core and end-result of relationship marketing.

## **I. Function Positioning and Basic Competition Approach of Business Hotel**

Modern business hotel came into vogue at the beginning of the 21 century and is a place to provide high grade business dinner and recreation. Now the economy of China develops rapidly and the trade here is prosperous. Especially Beijing, as the political, economic, cultural and transportation center, most of the trade in China happens here. The businessmen both from home and abroad usually come here. They are very busy with many banquet or dinner party so they need a place to provide them with high grade business dinner and recreation. The hotels are mainly for accommodation with single product and less personality so it can't provide all wave solution; the location and grade of bath center is too low to satisfy the needs of businessmen. In order to adapt the market trend, a kind of new business form which can provide businessmen with one stop solution including commercial affairs, recreation, bath, accommodation and repast comes into being, that is business hotel. Business hotel integrate the guest room, recreation and repast of star-ranked hotel with the Chinese hotel, bath and repast culture and creates the bath business with Chinese hotel characters.

### **(I) Function positioning of Business Hotel**

With business dinner and recreation and health care as its operation position, business hotel combines the function of hotel and bath center. With business affairs, bath, repast and accommodation in one body, the elegant environment, high grade taste and leisure atmosphere, business hotel is not only welcomed by businessmen but also the ordinary client.

#### **1. Sauna Bath**

The pace of life accelerates day by day which keeps the body and spirit of people in a constant

tension state. Under such a background, the traditional bath business becomes prosperous.

As a hotel style bath center, bath is a main project in business hotel. There is not only shower bath but also other kinds of bath which are very popular in ancient China such as bubble bath and cask bath. Sauna bath is an indispensable part of bath project and necessary for recreational and health care function. With a series of special efficacy, sauna bath is more and more favored by people.

## **2. Health and Life**

Due to the great pressure from work and the rapid pace of life, the conscious of health care is also increasing. Therapeutic massage becomes the most important way of health keeping. It can not only remove fatigue but also protect your health. So more and more people need therapeutic massages. To take care of your health and life when you take a rest is the best choice of people. For the convenience of clients, Yihai Business Hotel offers therapeutic massage and hires many professional chiropractors to provide client with comprehensive and attentive service. In this way, people do not have to go to medical institution for health service. Due to this health keeping service, business hotel is more and more attractive to clients.

## **3. Food Specialties**

Another important function of business hotel is catering. There is cafeteria in Yihai Business Hotel which provides various kinds of buffet with different style and flavor, including many kinds of pastry, fruit, porridge and so on. There are not only traditional Chinese foods and top quality seafood but also special western cuisine. There are also many kinds of drinks to meet the need of clients such as various tea, juice, coffee, yoghurt and so on. There is also 24-hour food service to provide wonton, noodles and so on for those clients who missed the meal time. Every client of the business hotel can has meals in the cafeteria. If there are special requirements, the client can also order meals. For those who want to eat in the room, the dinning hall provides room service. In addition, there are deluxe rooms for treat. The dinning hall is as good as that of the restaurant and is designed according to the standards of star ranked hotel. The service is also first class. This is not only a good place for the client to eat but also a wonderful place to invite guests and friends.

## **4. Recreation and Business Negotiation**

There is another important function of business hotel that is for the client to rest and hold business meeting. So, Yihai Business Hotel designed rooms with different style and standard such as presidential suit, count suit, three-room suit, two-room suit, king room, single bed room to satisfy different needs of businessmen. What's more, there are also capacious and comfortable lounge for the clients to choose. The guest room is not only luxurious decorated but also with advanced equipment. The service standard and quality is also first class. The client will feel comfortable when they rest in Yihai Business Hotel. In order to meet the needs of the clients, there is also gym with many exercise machines in the business hotel for recreation and body-building. Businessmen usually hold various businesses meeting, due to this character; Yihai Business Hotel prepares special meeting room with various services. So the clients can hold the meeting in a sound

environment and reach agreements.

The new position and function of business hotel make it establish and develop quickly in modern cities. With the development of business hotel, its function and service will be improved. As a leading business hotel, Yihai Business Hotel is groping and innovating in its service. With “Serve the clients whole heartily”, it wants to be the best in this industry and make the “Business hotel with the best cost performance.”

## **(II)Price war is the original method of initial competition of business hotel**

Price is the most sensitive part of operating. The change of price will have respect to all aspects. In China, new brand of business hotel spring up like mushrooms and now there are about 1500. There are many high end business hotels in Beijing. Many star ranked hotels also shift their attention to business hotel. As the market changes from the sell side to buy side, how to keep, maintain clients and attract new clients in the market with many competitors is the key consideration of all business hotels. At first, price war is the main method to gain competitive advantage. As a result, the price war sweeps the business hotel of Beijing or even China. The price war of business hotel mainly has the following form:

### **1. Low Price**

When the business hotel first came into being, the threshold is low and many enterprises were involved in this industry. The most important feature was low price and most enterprise neglected the location of products and quality. The price was very low and the entrance ticket was about RMB 20 to 50 per person. Ordinary people can also enter the place such as scouring bath and sauna bath. There is no standard or process or the present grade.

### **2. Advance in Price**

With the development of scouring bath industry, many enterprise find the great business opportunity and consumption potential of this industry and raise the price. Advance in price is necessary but the application of successful strategy of raising price is difficult. There should be some foundation to raise price. There are possibility and capital to raise price if there are market foundation, good equipment and facilities, high quality service, loyal client, fine credibility and great time to raise price. This kind of marketing method can improve the consumption level and grade, optimize the consumption tier and eliminate clients with low consumption level and keep high level client. In this way, they can raise the income of the business hotel.

At the end of 2007, many well known business hotel upgraded the business hotel and their products and raised the ticket. They think that to raise the price can not only raise its grade to show luxurious and dignity and attract clients but also to recover the cost and increase benefit.

Nevertheless, this is feasible or not and if it is a long term strategy for business hotel is still a question. Business hotel is an emerging compound service industry with low operation level, so

the homogeneity is strong. Take Beijing as an example, there is no great difference in hardware facility, guest room condition and service level among different business hotels. One hotel raises its price then the others follow. This is also a process of shuffle. Rational hotel will not follow the trend blindly. They will raise the price with preparation. If the preparation is not ready, the raise of price will not produce the opposite result. What the consumers, especially the consumers of business hotel need is not only simple consumption but the experience for status, position, sense and mental. So service level, product quality, emotion input, relationship investing are all main factors for the consumers to decide whether to consume or not. To raise the threshold is not enough. If the service level does not rise, the client will not buy.

### **3. Price Reduction**

As the most direct market competition method, price promotion can promote the sales quickly. But the survey shows that after the test of the market and the experience of the clients, the price promotion is no long suitable for the censorious clients and the severe market competition. Short after the business hotel raise the price, various promotions comes into being. Buy card with return, buy more, and gain more and so on make the clients in a daze. You buy 100000 and get a membership card; you will get another 70000 for free. The discount rate reaches 50%. This kind of promotion attracts some clients, but this is a kind of discount of his product in fact which will bring down the benefit of the enterprise.

According to the price game theory, if the competitor only considers that price reduction can gain more market share for himself in enterprise competition but does not consider the benefit decrease caused by price reduction, the enterprise will fall into predicament of marketing and can not extricate himself from his plight. If one business hotel adopts the price reduction strategy, the others will likely follow the trend. In this way the advantage of the one who first adopts this strategy disappears when the others take do the same. As a result the price reduction strategy becomes nothing. So, when the consumer are happy about the benefit brought by price reduction, the industry must think about the bad result of price war and avoid the unfavorable influence of price war.<sup>①</sup>

Since price reduction is not good for the two parties, when other business hotel reduce their price, one may not reduce his price but adopts other price competition strategy such as to satisfy personalized requirements, better the service and find the proper marketing method. This will create new profit distribution pattern. In fact, rational enterprise will think how to increase benefit and gain more through non-price competition strategy.

Price competition is the main part of market competition but not all. Enterprise should fully realize that price competition is only the presentation of market competition. The best way is to satisfy the requirements of the client and gain their loyalty and trust. These factors are long lasting than simple price competition.

---

<sup>①</sup>Zhu Xianye, Price Gaming Analysis and Avoid Strategy[J] . Journal of Jilin Province Economic Management Cadre College,2007 , 8 .

### **(III) Client Consciousness Guide of Business Hotel**

The market competition is cruel and every enterprise will take various measures for survival, but the key factor is: the enterprise who values the interest of the clients can win and gain the client for long. On the contrary, those who only care about profit usually can not get the expected profit. Just as what Jack Welch said” What we manage is enterprise, not profit.” If we want to manage an enterprise, we should pay our attention to the clients on whom the enterprise rely and make profit on the foundation that the client are satisfied.

#### **1. Pluralistic Features of Business Hotel**

Different with hotel, restaurant and bath center, business hotel combines the three together and adds other elements such as recreation, health and life, business meeting. It is a kind of consumption pattern with the most complicate, direct and totally relies on the consumers. What the client has to deal with when he lives in a hotel is to check in and check out. When the client goes to a restaurant, he orders and pays, that’s all. When the client goes to the business hotel, from the time he enters the hotel till the time he leaves, he has to contact with the attendant. “Whole process attends” embodies this feature. That is after the client no matter where they go and serve the client whenever they need.

The pluralistic feature determines that business hotel service is very special and important. No matter in the bath area, dining hall or guest room, or want to have bath, massage or cosmetology service, they have to connect with the client. What’s more, the business hotel has to connect various projects well. When the client comes to the business hotel, no matter for family recreation or party with friends or business treat, they will experience many kinds of consumption one time. This is not only to experience the tangible product but also a kind of enjoyment of the emotion and mental.

#### **2. The Coming of Emotional Consumption**

At the end of 20<sup>th</sup> century, the Engel Coefficient has fall below 50% and that of the big cities such as Beijing, Shanghai, Guangzhou and so on, has fall below 40%. This shows that the consumers in China no longer merely content with the daily consumption such as eating and wearing, they begin to pursue high level consumption. That is to say, the business hotel consumption comes to a new era-emotional consumption and pluralism era, serendipity era.

In the new era with “emotional consumption and pluralism” as the basic consumption, the client do not pay much attention to the function and material significance of the products and service. It is more and more difficult to maintain and attract clients only by the functional characteristics of the products and service. The consumers pay more attention to satisfy the psychological needs and their consuming behavior turns from “Intention of consumption” to “Method of consumption” from physiological consumption to psychological consumption. They use emotion as criteria to see whether the consumption is reasonable and whether the product and service is attractive. So the consuming attitude is exteriorized, personalized and pluralistic. Spiritual and emotional

consumption take a higher extent. It becomes urgent for the enterprise and client to communicate more about their needs and interests.

It is very obvious that, for consumers, the interest is not only low price but also good or better value for money. This is the psychological comparative advantage of clients. The clients make their decision not only because price factor but also apperceived factor. To buy or not mainly based on the valuation of apperceived value. Business elements such as products, service, environment, convenience, safety are all the parameters through which the clients apperceive the retailer, so consumption environment, reliability, creditworthiness, comfort and convenience degree all becomes valuable. Especially nowadays, with high degree of material satisfactions, the satisfactions except material become more important.

### **3. Proper Position- Get Out of Cut-throat Competition**

With the diversification of the consumers and the complication of consumption requirements, the business hotel has to conduct market segmentation and position and choose certain client group as his marketing target. In a sense, “scarcity” provides new operation state. If the retailer wants to win more client group, they should be able to provide the client with products and service which can meet their needs and change from the traditional “large scale” operation to “one to one”. The marketing master Philip Kotler professor has said “Besides satisfy the client, the enterprise has also to please them.” The Nobel Economics Prize winner Kahneman raises “What people pursue for his whole life is not the maximize of wealth but that of happiness.” So the enterprise has to guess what the clients think and “please” them, make them “excite” and try to make them feel “happy” and “blessed”. This needs the sensibility marketing.<sup>①</sup>

In the 21st century, if one can understand the client, he will be the winner. If one can satisfy the needs of the clients before others in the market, he will be the biggest winner. If you want to keep long-term fine relationship with clients, you have to care for them whole-heartedly. This kind of care is not oral commitments but also all-wave care.

---

<sup>①</sup> Zheng Guojuan, Bai Qinghua, Sensibility Marketing Based Mainly on Heart [J], Enterprise Economy, 2006, 10, 66.

## **II. The Client Symbiosis Is the Best Measure to Reserve the Clients**

There are some significant changes in marketing theory at the end of 20<sup>th</sup> century; the most influential one is the emergency of “relationship” style in marketing. More and more enterprise realizes that to establish and maintain a long term strategy partnership with clients is the guarantee of win-win for both enterprises. On this foundation, relationship marketing comes into being. The loyalty of the brand built on trade marketing is not stable and the returned customer is few. In real marketing, some enterprises have many businesses to do while the businesses of others are one time. The fundamental reason for this is the different relationship between enterprises and clients. In order to enlarge the proportion of returned clients, the relationship marketing comes into being. The one who first proposed the term of relationship marketing is Professor Leonard Berry of Texas A&M University. He pointed out in a report of American Marketing Association in 1983 that “Relationship marketing is to attract, maintain and strengthen relationship with clients.” After the transition from old economy time to new economy times, we are now gradually stepping in post economy times. Relationship marketing breaks through the traditional marketing research limitations and the narrow conception of short term trading of enterprises and emphasis on establishing interacting relationship with relevant organizations and individuals. In 2003, Philip Kotler proposed that relationship marketing is the practice to establish long term satisfied relationship with key members (clients, suppliers and distributors). The aim is to maintain the long term performance and business. The marketer keeps the relationship through constant promise and providing the other with high quality products, high level service and fair treatment.

The key of relationship marketing is the clients’ satisfaction. The criteria of relationship marketing are as follows:

First: Living together-profit for both parties

Second: Respect each other-harmony, human kindness

Third: Sincerity and keep the words-be frank to each other

Fourth: Clear target- set clear target before the cooperation relationship establish

Fifth: Long term cooperation-not based on short term advantage, based on long term opportunity

Sixth: Understand each other-understand the culture of each other thoroughly

Seventh: Best cooperation-Try hard to reach the best cooperation state

Eighth: Regularly communications-solve problems promptly and eliminate misunderstanding

Ninth: Codetermination-on a voluntary basis

Tenth: Long term-the relationship will last for long

## **(I) Client Symbiosis Definition**

Client symbiosis is the center and starting point of all the operating activities of the enterprise, so client Symbiosis is the core and end-result of relationship marketing. The client symbiosis refers to the long term sound business relationship between the enterprise and the clients. It requires that we should be client oriented and pay attention to the requirement and wish of the clients, better client service and seek the communication with the clients as well as provide solutions for problems so as to improve the image in the minds of the clients. To make clients trust and rely on the enterprise and enhance the client loyalty to enterprise brand and maintain stable market share.

### **1. Client Symbiosis Application**

Client Symbiosis theory is a part of relationship marketing theory. Although relationship is always a serious topic in academic circles and marketing circles in the past twenty years, it is until the last ten years that the relevant strategy of relationship marketing becomes rich and predominant in marketing. Bourdieu and others point many kinds of use of relationship marketing. They think that the application of client symbiosis marketing has four levels.

The first level: It is treated as a complex form of database marketing which shows that the enterprise use relationship marketing as a implemental method to manage clients. This means that relationship marketing not only brings new thinking and concept to marketing but also is a new tool to manage consumer trading which belongs to tradition area.

The second level: Bourdieu and others think that relationship marketing takes the realization of real and potential relationship between enterprises and consumers as the main point and the key factor is to maintain clients.

The third level: Relationship marketing is the cooperation with consumers. To be specific, the buyers take part in the design of the products and service which the enterprise will provide.

The fourth level: It includes all the above phenomena. This level makes it difficult for relationship marketing to establish parameter from traditional marketing.

This paper mainly studies the hotel relationship of the third level that is the real cooperation relationship between the enterprises and clients. To establish long term cooperation between enterprises and clients on promises to each other, value adding and interaction base. Value, promise and communication are the three basic factors of client symbiosis and also the foundation to continue the relationship with clients. It includes six aspects of requirements:

(1)Seeks to create new values for clients and share the new value with them. Client value is clients' perception and evaluation of the products provided by the business hotel, attributes, results and the service of attendants. It includes the comprehensive consideration of the expected value

and real value of the clients and emphasizing on the source of value and the perception, preference and evaluation of clients, the clients' experience and perception of products and how the clients apperceive the value provided by the enterprise. As to the enterprises, they should keep creating new value for the clients and strengthen the value requirements and satisfaction degree of the clients, create added value and share the enjoyment brought by new value with clients.

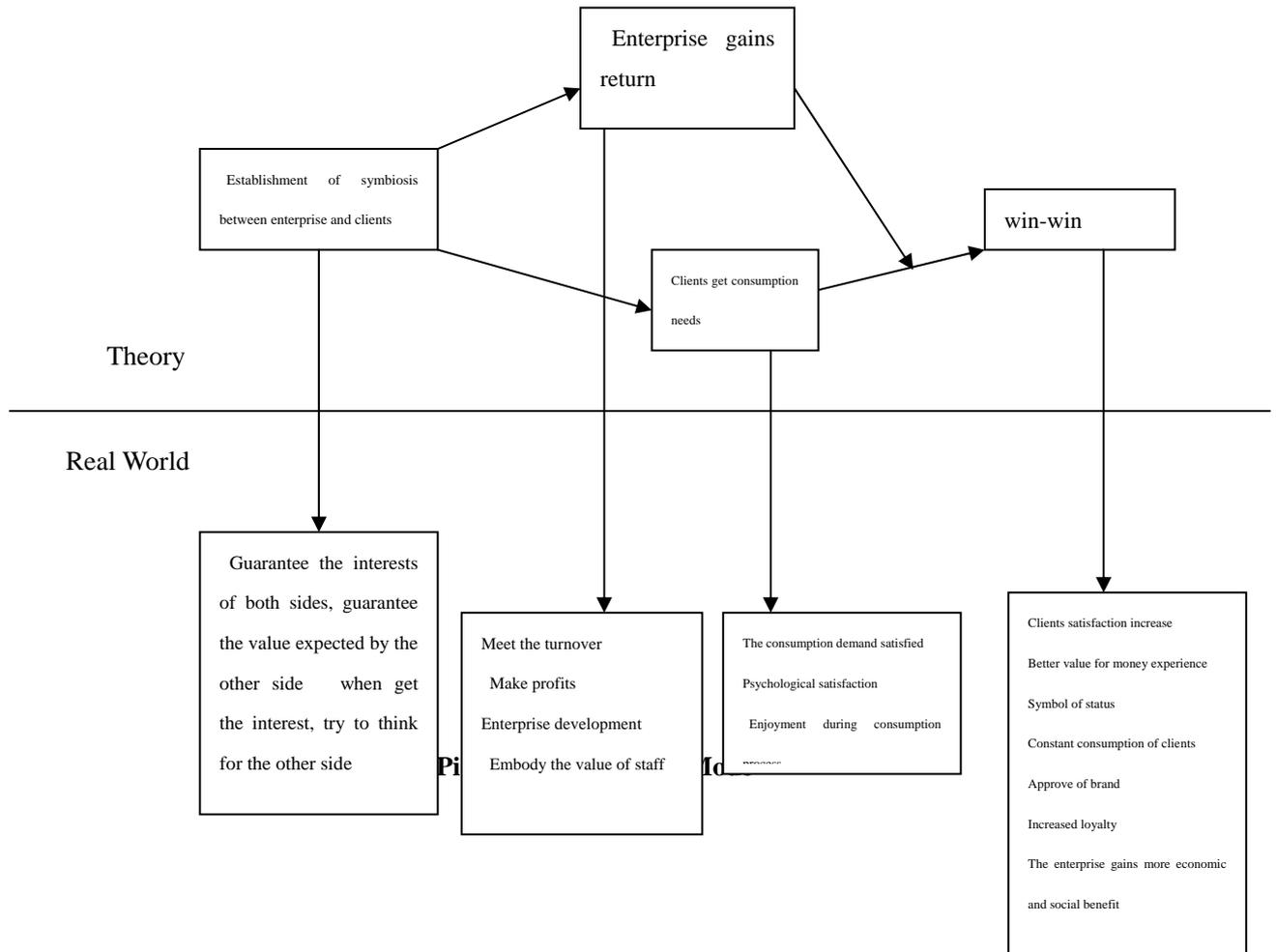
(2) As the buyer and the decision maker of the value he wants to get, the client plays a key role in enterprise. The role is very important. He is not only a consumer to buy the product and service, he also has the right to decide what kind of value he wants to get, how to get it and whether it is worthwhile to enjoy such value. The key factor to decide the profit, survival and development of a enterprise is nothing else but the clients it relies on.

(3) Find the right person for design, processing, communication, technology and supporting the value of clients. They are the attendant of service sector. The service for the clients is realized through the high quality, intimate and warmhearted service provided by the staff of the enterprise. So if you want to establish long term client symbiosis, the enterprise and clients are not enough, the most important is the arduous and intimate service of the staff.

(4) The business hotel enterprise and the clients cooperate constantly. The cooperation is not a simple process but to realize a long term, stable, interactive and win-win relationship through various channels, methods, pattern and consciousness.

(5) Realize the value of the consumption and patronage cycle of the customer. Record and manage the consumption time, frequency, expenditure and so on of the clients to make preparation for the establishment of long term cooperation.

(6) Establish a kind of relation chain. Relation chain is a chain made by many knots and a lot of elements. Enterprise, clients, service, value, quality, product and so on are the indispensable links of the relation chain. To establish a relation chain with all these elements in harmony needs the cooperation, efforts, coordination and integration of all these elements.



## (II) Client loyalty

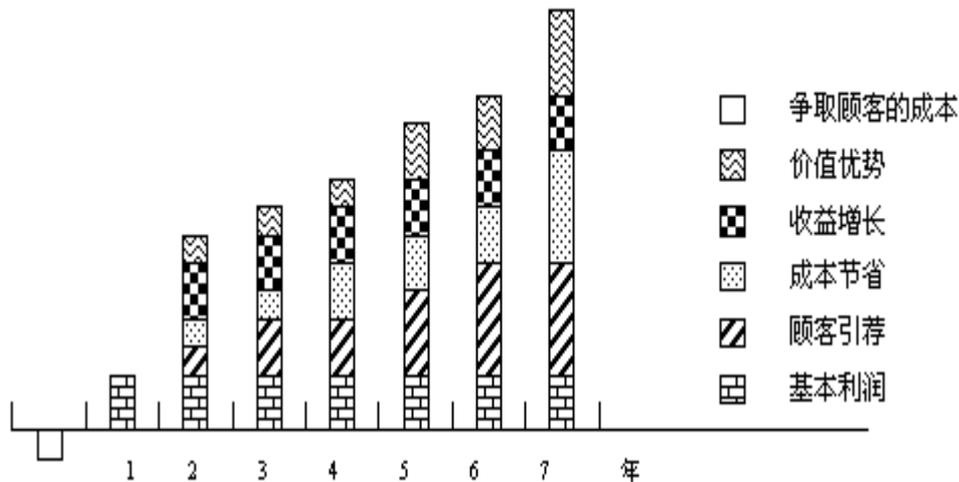
In order to strengthen the competition advantage, the enterprise pays more and more attention to client relationship marketing. Loyal clients are huge wealth for enterprise and to establish client loyalty is the core purpose of client relationship marketing.

### 1. From Client Satisfaction to Client Loyalty

With the change of consumption concept, consumption level and consumption group, the clients are satisfied with the products and service or not become the key factor to the development of enterprise. The satisfaction of clients is the source of enterprise revenue and to develop the satisfaction of clients to fully satisfaction is the main point of enterprise marketing. Materials show that the satisfaction of clients is not enough, when better products appear, the clients will change the place for consumption or supplier. In a survey of satisfaction on goods, 44% of those who are satisfied with the products change the brands they buy frequently. 75% of those who are well contented with Toyota are willing to buy the products of Toyota once more. The fact shows that high degree of satisfaction can enhance client loyalty and even makes them attracted by the

enterprise and raise clients' satisfaction to clients' loyalty.<sup>①</sup>

Loyal clients can bring many profits to the enterprise (Shown in Fig 2). According to a research report published by Harvard Business magazine, returned clients can bring 25% to 85% of profits for the enterprise. In the factors that attract them to come, service comes first, then the product and the last is the price.



**Picture 2: The value of client loyalty**

( Source: Wang Shujuan On Client Relationship Marketing Strategy [J].Journal of Inner Mongolia Agricultural University(Social Science Edition),2006,1,223. )

争取顾客的成本 Costs for competing clients 价值优势 Value advantage  
 收益增长 Earnings growth 成本节省 Costs saved 顾客引荐 Client recommend  
 基本利润 Basic profit

The purpose of client symbiosis marketing is to establish long term interdependent relationship with clients and develop continue contact between clients and enterprise as well as product to enhance brand loyalty and consolidate the market, promote the constant sales of products.

## 2.Client Loyalty Is the Center of Client Symbiosis

Clients are the foundation for the survival and development of enterprise and the substance of market competition is the fight over client resource, so all the enterprise must rely on their clients. The founder of Panasonic Konosuke Matsushita has said "For me, the people I appreciate most are the clients. I usually tell my staff not to forget appreciation." The increase in difficulty and cost to gain new clients due to competition makes more and more enterprise turn to maintain existing

<sup>①</sup> Yang Tao, Study on Client Relationship Marketing[J/OL] . EMKT, 2002.

clients. To establish long term friendly relationship with clients and treat it as the most valuable property of the enterprise is the purpose and center of client relation marketing. To establish long term cooperation relationship is to have high loyalty clients.

To gain the lasting loyalty of clients is what every enterprise yearns for but this can not realize in one single day. In the development of the relationship between clients and enterprises, there are usually five stages: knowing, acknowledgement, approval, preference and loyalty.

Knowing means that the clients have a basic knowledge about the business the enterprise does. This kind of knowing is sometimes active and sometime passive. This is the most basic stage of relationship with clients. At this time, the clients usually have not established clear interest relationship with the enterprise and they will not list them for selection when they have needs.

When it comes to the acknowledgement stage, the clients will know more about the background and features as well as pros and cons. They will establish a certain kind of relation between the enterprise and themselves and compare its features and pros and cons with their requirement standards. They will also put their affective factor into it. According to the results of the comparison, they will make their decision such as approval, dislike or being indifferent. This will be reflected in their consumption decision. So to get the approval from clients means the enterprise gets certain advantage in clients' selection of supplier.

The clients may change their approval to other emotion. For example if the clients have some bad experience during the process of consumption or other acts of the enterprise makes the clients change their emotion, the approval may change into dislike. On the contrary, if the clients have happy experience during their process of consumption or the values and social actions of the enterprise are agree with the values of the clients, the sense of approval will be intensified and rise to the preference stage. If the clients prefer one enterprise, they will list it as their first or second choice when they make purchase decision.

Loyalty usually has close relation with "internalization". That means the clients will integrate themselves with the enterprise, including believes and values. This kind of relation will last except the belief system of the clients is attacked in great event. Once the enterprise gets the loyalty from clients, it will be the first choice of the clients and the clients will rely heavily on the enterprise. They may even sacrifice some requirements for this. The loyalty of clients is relatively stable but it is not everlasting. The enterprise still has to strengthen this relationship in need satisfaction and values propagation.

When considering the essence of loyalty, it has two primary standards: (1) To define loyalty from the aspect of action, it mainly based on the amount clients buy and the frequency to buy the same product and the shift of brand when buy the product. (2) To define loyalty from the aspect of attitude, it includes the preference of the consumers and their loyalty to the brand.

Usually the assumption is that no matter what is the cause of loyalty, the final result is the repeat purchase of a certain product of the same supplier by the clients. This kind of definition from the

aspect of action recalls other factors besides loyalty such as habit, income and convenience. To embody loyalty clearly, the definition should be wider: in a period of time and among some suppliers, the clients prefer the products of one supplier. That is after consumption in many business hotels; the clients choose a certain one and will choose it no matter for business meeting or party for friends.

So simple repeat purchase and visit is not enough. Loyalty may come from external factors such as market structure with various relationships and possible geographical imitations. It may also come from internal factors such as the strength of relation and the handling of key events during the relation period. (Stowbark and others, *Service Industry Management International Magazine*, 1994, P.29)

Enterprises can talk about profit only when they have clients. On the contrary if the clients give up the enterprise, the enterprise will lose the resource of profit which will be the most serious shock. According to analysis, if an enterprise can maintain 5% more clients than usual, the profit will increase by 100%. This is because the enterprise can save the cost of advertising to develop new clients. With the increasing of confidence level and loyalty of the client to the products of the enterprise, the purchase rate of relevant products may rise. So to maintain clients becomes one of the most important contents of relationship marketing both in theory and in practice.

### **(III) Customer Relationship Category**

The foundation of advantage in enterprises competition is no longer the features of products and the profit of enterprise closely related with the degree on which they satisfy the consumers. With the market competition becoming more and fiercer, it is very difficult for enterprise to develop new market and clients. It also needs to input large amount of funds. They realize the importance to maintain clients more and more. And the key factor to avoid the loss of clients is to reach win-win during the trade between the two parties.

To differentiate five kinds of client relations is the starting point to establish client relationship:

**The basic type :** No matter for parties with friends, business meeting or for consumption once in a while, after the attendant provides them with relevant service, the clients have no contact with the business hotel any more, they may come again or not. Just as a paper boy sells out a piece of paper, chance plays an important role.

**The passive type:** Make more and more clients know the business hotel and come here for consumption through advertisement and promotion. Marketing the service and product of business hotel and make the clients become the member of the hotel and encourage them to give their opinions when they meet some problems or are not satisfied. The business should improve their service accordingly at any time. In this kind of relation, the clients accept and know the business hotel passively. The business hotel provides them with convenience and information to promote

consumption.

**The responsible type:** After selling membership card or products, the marketing personnel of the business hotel will call the clients and ask them if they are satisfied with the service and product of the business hotel and check if the product and service are in line with the expectation of clients. The member consultant and attendant shall ask the clients suggestions for improvement of products and service or if there are any special defects. This kind of information can help the enterprise to improve its products and service. When this kind of relation rises to certain level, it is the communication with clients, Listen to the suggestion of the clients and reply them. This can make them feel that they are respected.

**The dynamic type:** The enterprise constantly communicates with the clients and they give suggestion on how to improve relevant products and service or other useful information.

**The partner type:** The enterprise makes efforts with the clients to find way of reasonable expense for customers or help them to choose product and service. Establish a kind of intimate, harmony and win-win relation with clients and make profits for enterprise as well as make clients happy.

How to identify these five kinds of client relations? Generally, this can be identified according to the profits the clients contributed and the number of clients. (See Picture 3 ) The client relation management system identifies various clients based on the trade record, amount and other material of the client. That is according to the file of the clients. Then decide the level of relationship marketing according to the number of clients and the profits they contribute to the enterprise.

Profit contributed by clients Number of clients	High marginal profit	Mid marginal profit	Low marginal profit
	Large amount of clients	The responsible type	The passive type
Right amount of clients	The dynamic type	The responsible type	The passive type
Small amount of clients	The partner type	The dynamic type	The responsible type

**Picture 3: Client Relationship and Client Contribution Rate**

(Source: Wen Rutian, Client Relationship Management System in Times of Electronic Business-Relationship Marketing Practice [J].Finance and Trade Research, 2002.2.)

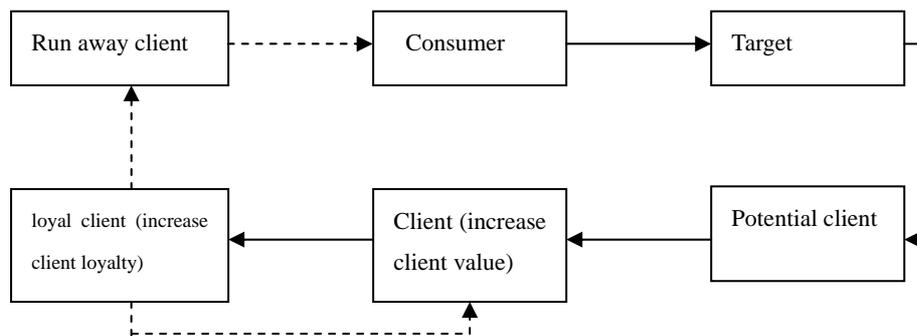
#### **(IV) Client Life Cycle Analysis of Business Hotel**

The traditional marketing proposes product life cycle theory while relationship marketing proposes client life cycle theory. The division of cycle and illumination on every stage of the cycle of the two theories are largely identical with minor differences. But the stand is different. The

tradition marketing is only guided by marketing while relationship marketing is guided by maintaining clients.

Client life cycle starts from the time the client wants to know a certain enterprise or the enterprise starts to develop a certain client to the end of the business relationship between the client and the enterprise. Its connotation includes: (1) The clients consume the product or service for the value in use, so the client life cycle is the value reforge cycle for the clients. (2) The enterprise should be kind to the clients or even create personalized service or product for clients without considering the marginal cost to make the clients bring profits to the enterprise constantly.(3) The clients can bring new clients and can also bring away regular clients, so be kind to your clients and to every step and every aspect during its life cycle.

The operation between the enterprise and clients are not reached in one move. The client relation develops from common consumer to target to potential client to client to loyal client. During the relation with loyal client, some may become client or even become run away client.(Refer to Picture 4)<sup>①</sup>



**Picture 4 Client Relation Management Process**

(Source: Increase client value through client life cycle marketing. Digital Marketing Forum)

In order to maximize the value of every stage, client life cycle marketing should play an important role. The following are on how to increase client value in every stage of client life cycle:

### 1. Common Consumer Stage

To contact with consumers through various kinds of marketing and advertising. The aim is to establish clients' knowledge and impression of the product. Including: numbers of visitors, media benefit and visit cost. Taking website promotion activities as an example means visitors brought by observable media and click rate. They can know how many benefits are brought by the budget on media and calculate the average visit cost for common consumer.

### 2. Target Consumer Stage

The aim is to change these consumers into potential client. The focal point should be establishing

<sup>①</sup>Increase client value through client life cycle marketing. Digital Marketing Forum, 2006

relationships, raising their interest, causing preference, increasing participation and causing them to leave message or be a member. Such as participation rate of activities, newly added number of members and E-paper subscribed. Taking member recruitment on the website as an example, we can observe the activities done for the clients, how many people are attracted and how many leave messages and become member. We can also know the average cost for each member. The one who are willing to leave their information will be potential clients.

### **3. Potential Client Stage**

The purpose of marketing is to change potential client into client with consumption and the focal point is to promote them to consume. Taking the promoting activities for members as an example, we can observe how many members have membership card and how many members have paid or how many of the members give up consumption during this process. We can also observe the cost to increase one consumer. Estimate the contribution degree of this client according to the amount he buys.

### **4. Client Stage**

For those clients with purchasing behavior, the focal point is to strengthen their loyalty and increase the repeat purchasing rate. Many business hotel use accumulated points or giving presents when reach a certain points as ways to increase repeat purchasing rate, purchasing amount and money. Or they will use customized service and one to one marketing to increase the degree of client satisfaction and brand tenacity and bring them into loyal clients and maximize their profitability.

## **(V) Maintain Client: Pursuit Long Term Relationship with Clients**

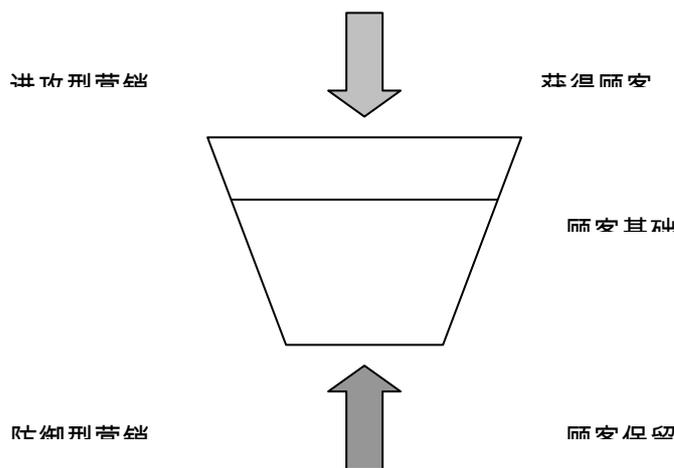
For a long time, many operators and marketing professionals sum up a rule: To develop a new client will cost five to ten times more than maintaining a regular client. According to the theory of Rickhade and Sase, if an enterprise can bring down the client defection rate by 5%, the profit will increase 25% to 85%. In many industries, the longer the relationship between the enterprise and the client, the larger the sales and the profit they bring will be. To bring down client defection rate is very important to improve the conservation rate. With the decrease of client defection rate, the average life expectancy will increase and the profits to the enterprise will also increase. When a client runs away, what he takes away is not only the profit of the present trade but also all the profits in the future. What's more if a client runs away because they are not satisfied or are very angry, they will speak something unfavorable of the enterprise to others which will decrease the number of potential clients of the enterprise.

### **1. Foundation**

In the past, to develop new clients is an important work of the enterprise. This "attacking type" strategy can not only get new clients but also attract the clients who are unsatisfied with the

competitor, especially during a period with fierce competition (Stowbark, *Service Industry Management International Magazine*, 1994, P.22~23). What we emphasis on is to establish a long term cooperation with the clients and to maintain clients.

In relationship marketing, we pay attention not only to get new clients but also to maintain clients (Christopher and others, *Relationship Marketing, Pursuing Competition Advantage: Win and Maintain Clients*, 1991, P.7). It emphasizes that the enterprise should adopt both “attack strategy” and “defense strategy” to minimize client defection rate. (Stowbark, *Service Industry Management International Magazine*, 1994, P.22~23). This is also called leaky-bucket theory.



**Picture 5 Leaky-bucket theory**

(Source:[Britain]John Egan, translated by Hong, *Relationship Marketing: Exploring Relational Strategies in Marketing* [M].Beijing: Economics and Management Press )

进攻型营销 attacking type marketing 防御型营销 defending type marketing 获得顾客 get clients 顾客基础 client foundation 顾客保留 client maintenance

Picture five clearly explains the logic of the method with two focal points. This method recognizes that getting clients is the foundation of maintaining them but it emphasize more on maintaining them.

From the point of the management practice of enterprise, this kind of cooperation can bring long term financial benefits to the enterprise and this is based on two economics arguments: the first is the cost to maintain a regular client is far more less than developing a new client and the second is the longer the relationship between the enterprise and the clients, the more profitable the relation will be.

## 2. To Recognize the Clients

The key points of clients relation is to recognize whether a client is profitable and how much they contribute to the enterprise. A client who can bring profit refers to the individual, family or

enterprise who can bring revenue flow constantly and the revenue flow is more than the acceptable enterprise cost flow used for attracting, marketing and serving the clients. It emphasizes on the lifetime revenue flow of the client and cost flow, not the profit from a certain trade. Client relation management is to recognize the clients and what various clients buy and their profitability. We recognize various products and the profitability through the following Product and Client mix.

Client Product	Profitable Client	Deficient Client	Mixed Client
Profitable Product	+		+
Mixed Product	+	-	
Deficient Product		-	-

(+means profit, - means loss)

**Picture 6 Profitability of Various Products and Clients**

(Source: Wen Rutian, Client Relationship Management System in Times of Electronic Business-Relationship

Marketing Practice [J], Finance and Trade Research, 2002.2.)

The famous “Two to Eight Law” thinks that 20% clients bring 80% profit for the enterprise. Someone changes it to 80/20/30 according to statistics, which means 20% clients bring 80% profit for the enterprise but half of the profit is counteracted by non-profit clients. The one who brings the most profit for enterprise is not the biggest client because the biggest client usually asks for many service and large discount which will decrease the overall profitability level of the enterprise. Generally speaking, the profitable product and client is easy to recognize, the deficient product and client is also easy to recognize. The problem is that mixed product and client is difficult to recognize. The client relation management is to solve this problem. By analyzing various kinds of clients and products to decide (1) what kind of products is to be reduced and what kind of client is to give up or encourage them to turn to the competitor; (2) To increase what kind of client and to develop what kind of product. This can reach the aim to increase the profit of the enterprise.

### **III. The Core Beliefs of Client Symbiosis——Win-win**

The 21st century is the age of knowledge economy. We should discover that relationship marketing will be strengthened with the two management features of knowledge economy age becoming more and more prominent. The first is in consumer goods market, the market in knowledge economy age will be more competitive due to the diversified choice for consumers and the increasing of similar products and surrogate products. The second is in knowledge economy age, in industry market, the intimate and long term partnership between different enterprises of the same value chain will be strengthened. It involves the cooperation from product development to market development as well as the increasing interdependence in relevant information system and other process. So, the competition in knowledge economy age is the competition of networks, not the competition between single enterprises. The one who will win is the enterprise with sound network.

#### **(I) Stick to the Management Belief of Win-win**

The emergence of relationship marketing and many people pay more attention to it shows that the people have a wider understanding of the marketing area and the core of marketing develops from market trade to various relations in the knowledge economy age. Relationship marketing is a new method and new concept widely applied to various industries in western countries from the beginning of 1990s. Public relations has been treated as a key factor to promote and open the market and introduced to the big marketing theory of Kotler. But with the coming of knowledge economy age, relationship marketing has wider and deeper meaning. Traditional marketing theory thinks that the essence of enterprise marketing is to use and combine the internal controllable factors to respond actively and timely to external uncontrollable factors. But with the development of the society, especially the fierce competition and the widely use of Integrative Marketing Strategy. We discover that many carefully planned marketing strategies are hard to reach the expected aim. People finally realized that enterprise is a subsystem of the social economy system and the marketing target of enterprise will be affected by many factors and relations in the large social system. Relationship marketing use systematic thinking to analyze the marketing activity of enterprise and thinks that enterprise marketing is the process with the interaction of enterprise, consumer, competitor, supplier and distributor. The core of enterprise marketing is to handle the relations with these individuals and organizations properly. To focal point of the enterprise that use relationship marketing is to establish various relations, not to create buying. Relationship marketing is the method and art to create long term interdependent relation between the seller and the buyer.

The basic requirement of relationship marketing is to establish and maintain the fine relationship with the clients, promoting enterprise cooperation and develop market opportunity together. How can the two parties without joint profit. So win-win, the joint profit of the two parties is the fundamental idea of relationship marketing. With the coming of knowledge economy age, intensified market competition, the enterprise can only keep sustainable development in competition by considering the interest of the other side when gaining his own profit and main the

cooperation relation.

To stick to value co-creation is to stick such management beliefs: first, ensure the interest of both parties of the trade and relate oneself with the other party and consider the profit all-in-one; second, guarantee the value expected by the other party and meet commitment; third, try to do something for others when the interest target is met. We can see that the key factor to maintain clients is to guarantee the profits of both parties, which mean win-win. Management experts think that when an enterprise to the period with relatively high client satisfaction, the key for success is to consider the gains of the other party, no matter in which mean. They emphasize win-win of both parties in the trade. It is impossible to establish long term cooperation with clients if one violates the win-win principle and the relationship marketing is merely prate.

## **(II)The difference between customer cooperation relation & traditional transaction marketing**

The relation marketing differs greatly from the traditional transaction marketing. The main content of the transaction marketing is 4ps, & the relation marketing breaks through this frame, & extends the business activities of enterprise to a wider & deeper level. The differences between the two ones are:

1. The core of the transaction marketing is the transaction; the enterprise enticed the other party into the transaction activity to obtain the profit. The relation marketing obtains the profit through establishing good cooperation relation with the relation enterprise.
2. The transaction marketing emphasizes on how to gradually develop the new customer, & the relation marketing emphasizes more on how to keep the old customer relation.
3. The transaction marketing vision field is only limited in target market, that is various customer groups, while the relation marketing involves vast scopes, including customer, supplier, distributor, competitor, bank & internal employee, etc.
4. The transaction marketing emphasizes on achieving the exchange action & does not emphasize too much on customer service, while the relation marketing emphasizes the satisfaction of customer service & customer, & the price is no longer the most major competition measure.
5. The transaction marketing is the participation of limited customers & appropriate customer relation, while the relation marketing emphasizes on high level customer participation & close customer relation.

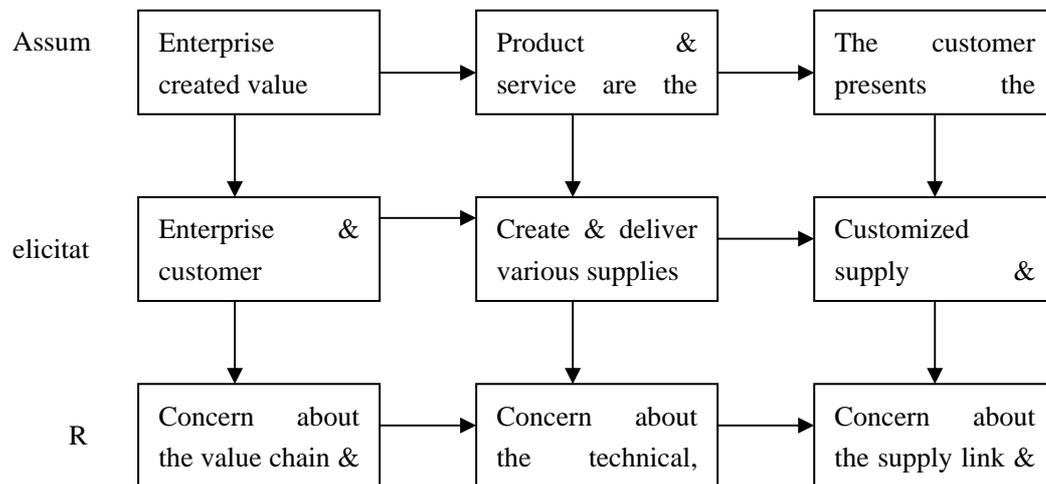
Therefore, relation marketing strives to develop healthy & long customer cooperation relation with characteristics as attention, trustiness, commitment & service, etc. First, the relation marketing is to concern about the benefit of the customer, & they even want to exceed the expectation of the customer, & bring about satisfaction or pleasure of the customer. Second, the trustiness & commitment are the key point of relation marketing research, the precondition to maintain the relation is to perform the promise, development or reinforcement of relation is the series of new promises upon the customer after the enterprise performs its promise previously, so as to reach the good circulation. Finally, in the relation & promise environment, the attention result upon the customer is a wish to provide the high quality service. The relation marketing requires the whole organization to commit to provide the high quality service, & this service should be introduced in & reflected by the reliable emotion.

## **(III) Core concept of the customer cooperation relation: mutually create the value**

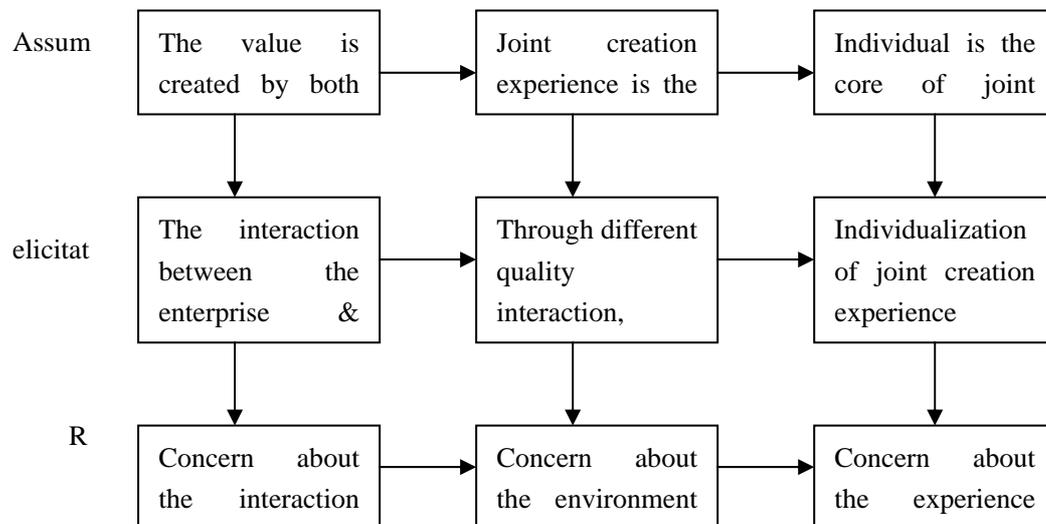
Mutually creating the value is simply generalized as Win-Win, which means in the business activity of the enterprise, the enterprise & the customer obtain the own benefit respectively on the basis of guaranteeing the benefit of the other party. A famous saying is “the transaction with

money gained may not be the successful one, & the successful transition is the one to the satisfactory of both parties”, and this is the accurate description of meaning of Win-Win.

The following are two value creation charts which are started from different consumptions with obtaining of different elicitations & different business representation.



**Fig. 7: The traditional reference system of value creation**



**Fig. 8: Value creation new reference system**

(Source of the picture: application of customer life cycle marketing, improvement of customer value, digital marketing forum)

In the past, the traditional business through is often based on such assumption: the value is created by the enterprise, through the production selection & service, the enterprise independently determines its provided value. The customer presents the demands for goods supply of the enterprise. Thus it forms the traditional value creation value. The new value creation system aims at the angle of customer & enterprise jointly creating the value, & emphasizes that the center of value creation process is individual & creation experience.

### **1、 Interaction between customer & enterprise in the joint created value**

When the customer selects one guide hall, he shall determine & select the environment, service, canteen, etc., to meet his consumption standards. Especially, the loyal member customers hope the club can provide the services as per their requirements. The club is also set by detailed customer database system with detailed record for the fancy, characteristic, satisfied house type, satisfied technician, etc. of these loyal customers, when they come, they shall be met with the special service manager reception with special rooms. To meet the customer demands better the club & the customer shall have the face to face communication & interaction processes, such as appreciation expressing conference, member birthday conference, etc., thus the customer shall really experience the feeling of home, during this period, it shall comprehensively listen to the suggestions of the customers. In addition, when the club party intends to carry out reform or finishing work of some aspects of the club, it shall ask for opinions of the customers & listen to their voices, & find out what kind of demand the customers further need, & shall conform to the customer requirement, & the cost & time thereof are far below the enterprise action blindly.

The jointly created value shall enable the customers share a lot of unique advantages:

- (1) In the process of joint creation, it can provide a lot of knowledge & specialty of bath, foot massage & massage, & thus it shall bring about the high level self-esteem.
- (2) The dialog between the customers & the club employees as well as the link of service & product provision process shall enable the customer form the emotion connection after experience.
- (3) The transparency of hall service & the wish of dialog shall be in favor of reinforcing the trustiness of the customer upon the enterprise & product quality.
- (4) When the customer becomes the member of the club, he shall experience more pleasure

Therefore, in the joint creation, the experience differs greatly from the traditional product purchase quality. Accordingly, the foundation of the customer value is also changed to overall joint creation experience from the entity product. Among them, the overall joint creation experience includes the joint design, & all interactions of customer, enterprise & member. Therefore, the joint creation experience is determined by the approach degree between the customers & enterprise employees, & the nature & extent of the enterprise interaction, as well as the transparency of each participated party.

As to the enterprise, through jointly creating the value it shall know more about the customer, to

obtain more new thought about design, engineering, product & service. The employees of the club, either building designer & server, can understand deeper the desire, expectation, motivation & action of the customer, & the property & function balance & decision making which are both accepted by the enterprise & customer. Through the continuous dialog, the employee's individual effort can be connected to the individual customer, & the enterprise can reduce the uncertainty of the capital input, find out & eliminate the environment danger source.

## **2. The basic constitution factors of the joint creation**

Since the service characteristics of business club, & interaction between customer & enterprise are the place of the value creation. The basic factor for constituting joint creation includes dialog, acquisition, risk evaluation & transparency.

### **(1) Dialog**

The dialog means the interactivity, high level input & inclination to take action, it includes both the customer & enterprise. The dialog is not only to listen to customer's voice: it includes the careful understanding of the customer experience, recognize of customer experience emotion, social & cultural background. Furthermore, it means the equal resolution of issue & the communication & share of both parties. In addition, the dialog is also in favor of creating & maintaining the loyalty community.

In the joint creation the dialog has the typical characteristics, it concerns about the issues which both customer & enterprise interest in; it require to set the forum so that the dialog can be continued with in the forum; it requires the regular input to guarantee the orderly & efficient interaction.

To specify why the joint creation dialog needs these factors, we shall analyze the business club sector. At present, there are a lot of hall enterprises in the market, each of them has its own brand to attract the customer. Nevertheless, many enterprises only demand on their imagination & existing customer groups for positioning, such as some positioning is health, some positioning is warmth, & some is parity price & luxury. All these positioning are the result ones, & the customer groups are different due to the impact of environment, region & geographic location. Whether or not these positioning are proper & meet their own characteristics shall be subject to the good communication & dialog between the customers, so as to understand the consumption frequency, consumption amount, preference, dislike, of the customers in the club, only by doing so, can the own customer group be properly found out, & accordingly the own positioning shall be properly made.

### **(2) Acquisition**

Traditionally, the attention focus of the enterprise & the attention of enterprise upon the value link are the creating & transferring product ownership to the customer. Nevertheless, the target of customer is increasingly presented by acquisition of wished experience, not exactly the product

ownership. To acquire certain experience, the individual is not exactly to acquire the ownership.

The customer present the club wants to acquire certain comfort, leisure, either it is an experience or a life mode.

### (3) Risk evaluation

Herein the so called risk means the possibility of damage upon the customer. From the traditional angle, the management staff often deemed the enterprise can evaluate & manage the risk better than the customer, therefore, when they communicated with the customer, the marketing staff almost only concerned about the description of gains & usually ignores the possible risk.

Till now, the quarreling about the risk, & balance between risk & gains are more & more popular, some people deem the jointly created value shall become the main stream of era development. In the joint created value environment, the enterprise can not manage the risk unilaterally; on the other hand, if the customers are the positive creator of joint created value, they shall also bear the risk responsibility.

### (4) Transparency

Previously, the enterprise usually can obtain the gains from the unsymmetry of the information between enterprise & customers. Nevertheless, this unsymmetry is quickly eliminated at present. The enterprise can no longer keep the non-transparency among the price, cost & gross profit. The customer can acquire more & more information about the product, technology & management system, & thus creating higher level transparency gradually becomes the optimal ideal selection. Furthermore, transparency integrates with the risk evaluation, which can reinforce the joint development & trustiness capacity, & this is also the necessity for constituting trustiness between the customer & enterprise.

Yihai International Business Club creates the business club with high ratio of performance to ratio, & let the customer to acquire the real benefit. The high level decoration, high quality service & reasonable price can all be felt by the customers really.

The above four factors can be combined by the enterprise management by different modes. Nevertheless, the club sector is attempting to try these factors, & the evidence regarding the change of value creation nature is increasing, many enterprises can not really implement this newly joint created value frame & benefit from it. The reason why is that, the joint created value challenges the traditional role between the enterprise & customer basically, this pressure presents more comprehensively on each interaction point between the customer & enterprise. Among them, the above mentioned interaction points are the emergence place of the joint creation experience, & are also the place for customer making selection & the joint created value. In addition, the interaction point can also provide opportunity for the cooperation & negotiation between the customer & the enterprise, or provide the opportunity to stop the above processes. among them, the opportunity may be clear or unclear.

#### IV. Business club customer relation establishment process

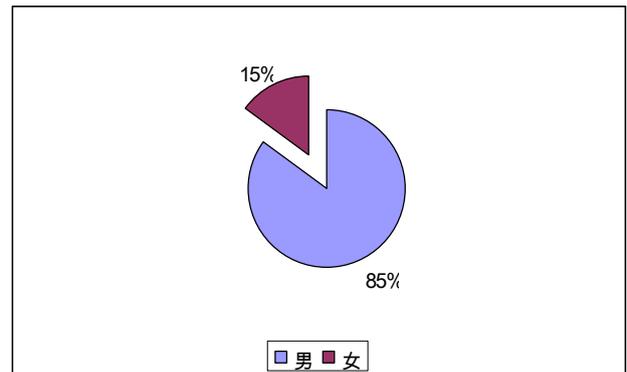
The relation is not accomplished in one action, & it is developed in progress, sometimes it needs fairly long time. During this time, the customer shall pass through several development stages.

(Dwyer etc., 《The Buyer & Seller Relation in Development Progress 》,1987,P.15) presents the five basic stages of relation development, & each stage presents the change of cognition of both parties each other.

To understand the satisfaction factors impacting the customers, we use two weeks to carry out questionnaire survey upon the customers in P.M. 6:00-8:00 every evening, & mainly aim at five business clubs in Beijing: Yihai International Business Club, Orient Kaidehua, Quanjincheng, Hannashan, 8# Club. Totally 500 copies of questionnaires are issued, & the effectively one is 500 copies reaching 100% effective rate; the basic information of the questionnaire includes:

##### 1、 The sex ratio in the questionnaire survey:

Since the political circle & business circle are mainly the platform of male, the ratio of male/female is 80/20, therefore, the surveyed female ratio is 15%, & the male ratio is 85%.

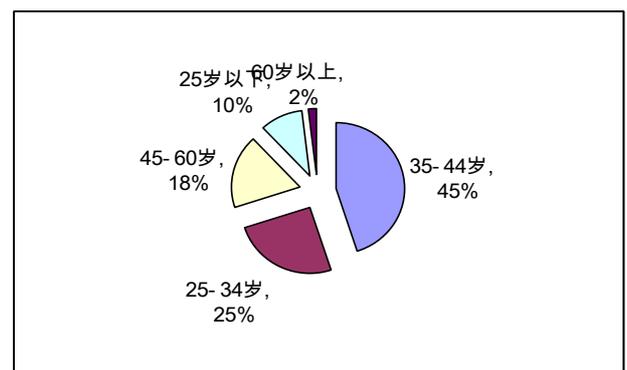


##### 2. The age between 35-44 crowds are the main customers of the business club with a ratio up to 45%.

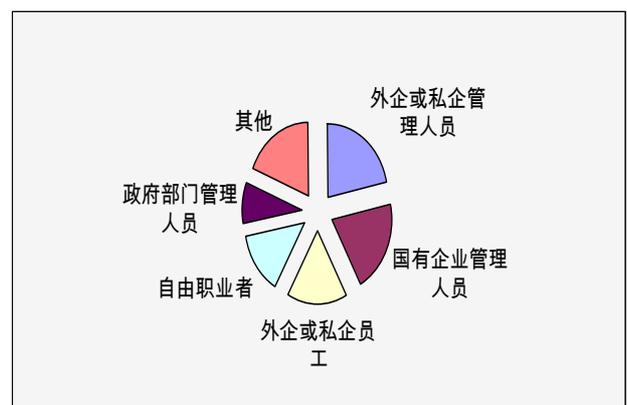
25-34: 25%;

45-60: 18%

Over 60: only 2%.



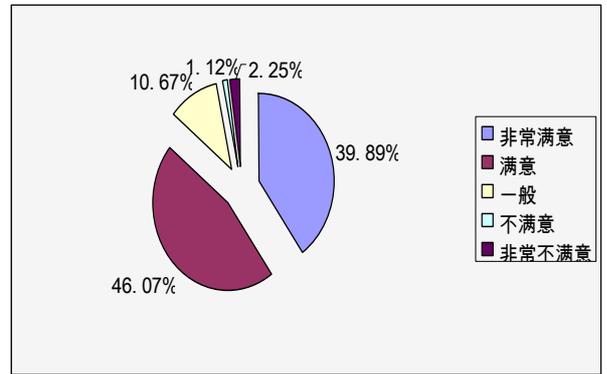
##### 3. As to constitution of occupation, the top five occupations are foreign enterprise or private enterprise management staff, stated owned enterprise management staff, foreign enterprise or private enterprise employee, freelance, & government authority management



staff, these part of customers accounts for 81% of the total number, & the others account for 19%.

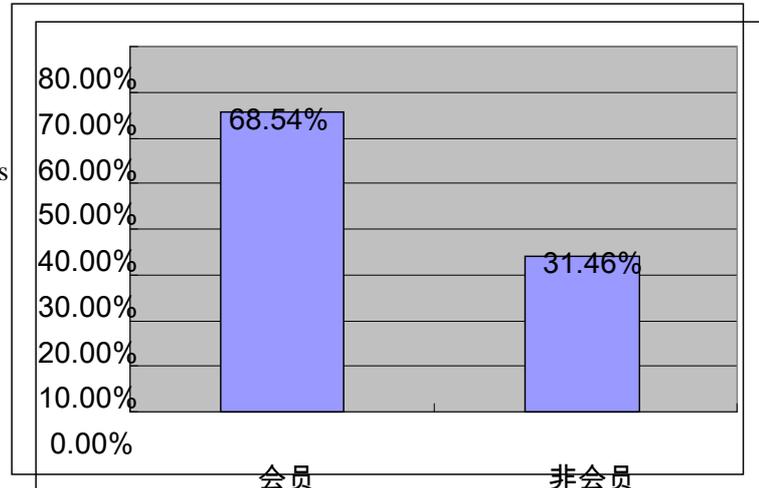
4. Customer satisfaction survey

The survey data indicates the general satisfaction of the customers upon the club is very high, 86% of the responders are satisfied or very satisfied, in addition, nearly 14% of them deem it common, not satisfied, or extremely not satisfied.



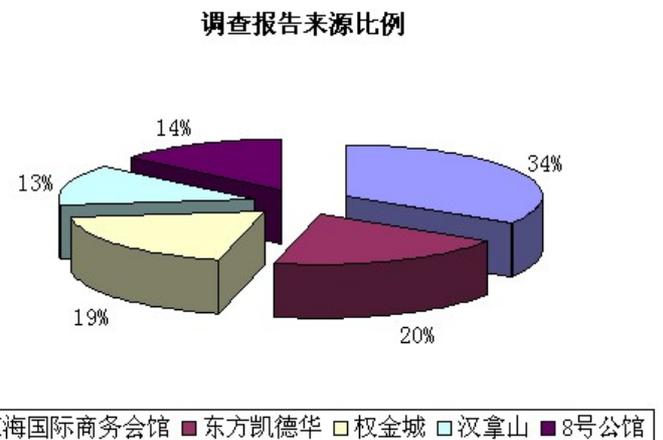
5. Customer member/non-member survey ratio

The survey data indicates in the responders, the member of the club accounts for 68.54% of the total number, & the non-member accounts for 31.46%.



6. Survey report source ratio

- Yihai International Business Club 34%
- Orient Kaidehua 20%
- Quanjinshan 19%
- Hannashan 13%
- 8# club 14%



Hereinafter we shall analyze the details of the establishment process of business club customer relation.

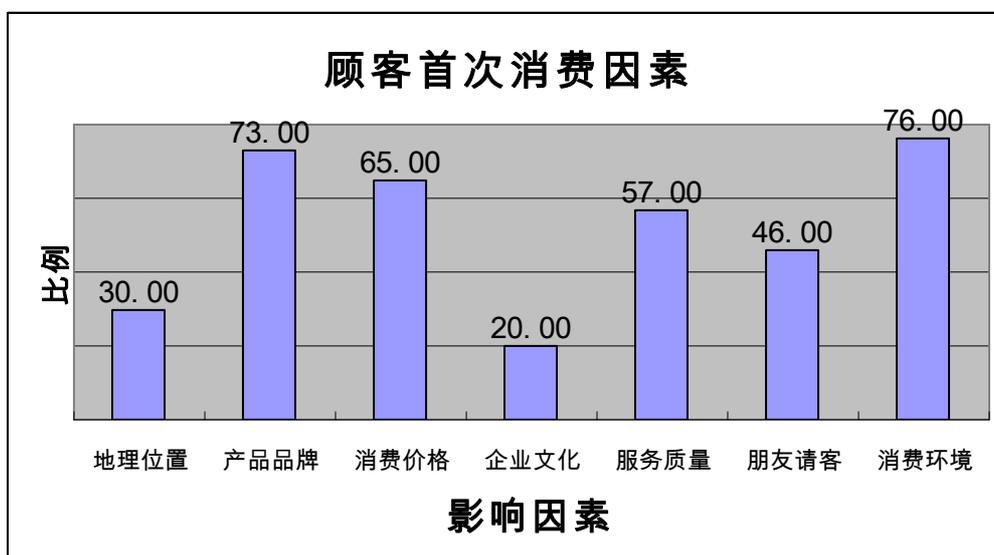
**(I) Perception**

The perception means the recognize of customer upon the business club “it is a consumptive & leisure place”, although the purchase does not happen, it also has many positioning & statuses to improve the mutual attraction.

During early rising of the business club, it shall be advertised via the broadcast, TV advertisement,

etc., thus the customer shall have a simple recognize upon the business club, that it is a “unique, differing from the single characteristic of hotel, canteen & bath” leisure place, where you can bring about your family members for leisure, or meet with friends as well as negotiate with the customer. This is the basic precondition, since the business club is a brand new conception, & many people may keep watch for it. In fact, many people have the capacity to consume in the business club, due to various causes, the concept of business club is only limited by the surface & traditional understanding, & is deemed as non-healthy entertainment place. Therefore, letting the customer to really recognize the business club is the foundation of opening heart of customer & widen the customer channel. The issues such as, how to enable the arrival, trial & experience of the customer, are the one to be considered by the enterprise when establishing the business.

Fig. 9



In the questionnaire, at first the customer mainly concerns about the consumption environment, product brand & consumption price, which respectively accounts for 76%, 73%, & 65% of the total, & only 20% of the customers have enterprise culture requirements. (see Fig. 9)

In addition, the business clubs have different customer groups due to the factors of self level, geographic location, traffic & characteristics, etc., & it shall have a clear cognition of the own customer group, that is to find out the own positioning. Such as Yihai Business Club has three branches in Beijing with different customer groups & different positioning. The international business club positioning is “banquet” where the customer shall have fairly high requirement for the product brand, geographic location, & the positioning of Peony Garden positioning is “family warmth” with more requirements for enterprise culture & geographic location, & the Shangdi Branch customer group is the “healthy White Collar group”, which pays more attention to consumption price & consumption environment, etc. Therefore, the mutual cognition between enterprise & customer is the first stage of establishment of customer relation.

## **(II) Exploration**

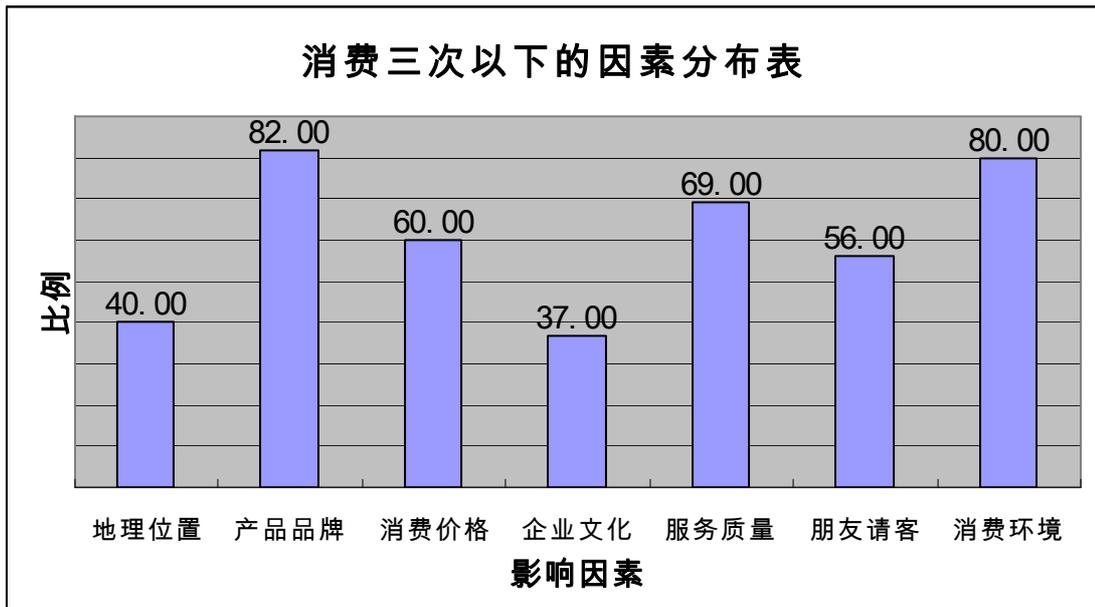
The exploration means the survey & test period between the customer & enterprise. In this stage, the potential relation both parties shall take into account the “responsibility, obligation & benefit”. This may result in experience purchase, nevertheless, this detection relation is very weak, & is presented as minor investment, mutual dependency & easy of incurring relation stop (Dwyer, etc.,

《The Buyer & Seller Relation in Development Progress 》,1987,P.16). This stage can be explained by four more detailed processes. The attraction, communication & bargaining, force development & utilization, standard development & development expectation.

When an enterprise & club just now open the business, the customers shall attempt to make the purchase experience to carry out exploration of the club by environment, product & service, etc., during which time, they can only be called the simple customer, & thus the primary impression is very critical. If they feel very good, they may come again, nevertheless, that's what it all adds up to. If the feeling is not good, or one link is bad, it shall bring about antipathy of the customers, maybe they shall come again, may be never come. Therefore, in this stage, it is very easy to incur stop of relation.

## **(III) Extension**

The extension means the increasing benefit of each party, & the growth of mutual dependency. The evident difference between this stage & the previous stage is: in the exploration stage the primary trustiness & mutual satisfaction are established, & currently they are willing to bear the risk (Dwyer, etc., 《The Buyer & Seller Relation in Development Progress 》,1987,P.18).



**Fig. 10**

When the customers acquire their expected feeling & services in one time or several times experiences, or acquire the unforeseen surprised pleasure, they shall consider the repeated consumption. The primary trustiness is realized, that is to say, they deem the consumption herein is worthy, they shall continue with, or even extend their consumption times & consumption amount. In the questionnaire for the customers below three times consumption, respectively 82%. 80% & 69% of them have requirements for product brand, consumption environment & quality of service, & the one with enterprise culture requirement also accounts for 37%, therefore, the customers have deeper requirements for many factors as internal culture of the enterprise, etc. (see Fig. 10)

#### **(IV) Loyalty**

The loyalty means the guarantee (concealed or clearly determined) for the enterprise & consumption to continue with the relation. In this stage, both parties have very clear expectation for the mutual role & target without bargaining, & the mutual trustiness improves the efficiency & effect.

The both parties reach the common understanding with pleased relation. The enterprise shall own a part of very loyal customers, with very high frequency of repeated purchase ratio. In addition, the customer identifies with the enterprise culture, & shall consciously recommend & advertise the enterprise product or service, & bring about the new consumption group for the club.

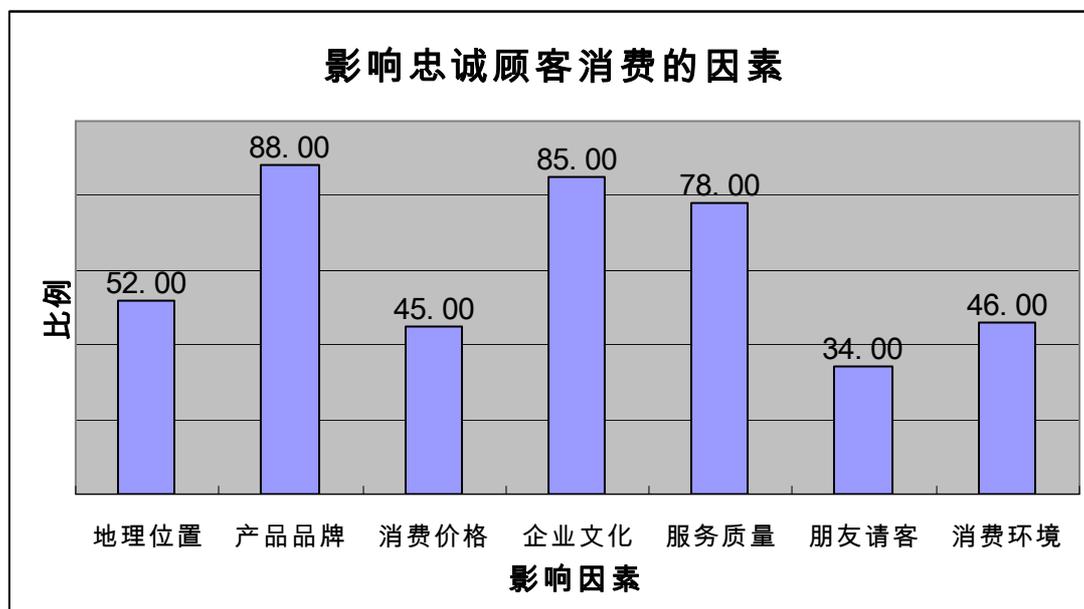


Fig. 11

In this factor distribution chart, it is very clear that the attention of customer upon the product brand & enterprise culture rises to 88% & 85%. The enterprise culture is the measure of enterprise maintaining emotion & relation of internal employees & external customers. Therefore, when the customers reach the loyalty degree, they concern more about the internal & emotional experience & share than the objective factors as price, environment & geographic location, etc. (see Fig. 11)

## (V) Deviation

When the relation cannot be developed, it shall inevitably be disconnected. When the customer feels tired of, unsatisfied to the enterprise service & product, or is impacted by the other enterprise & reduce or terminate the coming & going with the enterprise, this customer relation is disconnected. Then the enterprise shall re-attract the new one, & thus it shall greatly increase the cost, & needs a gradual process to improve the loyalty of the customer. Generally, the customer “club hopping” includes following causes:

### 1. Price deviation

The competitor product does not differ too much from yours, & the customer shall no doubt choose the competitor product with lower price. As to club sector, the provision of product has very strong “homogeneity” such as bath, guest room, canteen, & healthy care, etc., these products do not have great differences of quality, if one club does not have its own feature to attract the customer, and the customer shall of course select the one with lower price.

In 2007, each club of Beijing, either big or small, successively rose the price, in this price campaign, many enterprises cannot maintain the business & had to enter the price drop mode in

advance, its cause is, without the precondition of any comparability, once the price is increased with the tideway, the customer shall be unsatisfied, & then it shall lose the source of profit & inevitably be deserted in the shuffle process.

## **2. Product deviation**

It means the customer turns to the competitor providing high level & high quality products. The most important positioning points of the club sector are the service, technician & canteen. The value of the product is the final representation of the customer demand. If one of product scale, quality, safety & health cannot meet the customer demand, the customer shall reject it & go away. As to the pure service products as guest room & canteen, etc., the quality & nature are the first condition, if these most basic factors cannot be done well, it is impossible to hold the customer.

## **3. Service deviation**

It means the enterprise service quality is too bad & incurs disconnection of the customer. It has been previously mentioned, if the product prices do not differ greatly, the customer shall select the club which is more appropriate to his requirement & satisfaction with better service quality. As a special service sector, the service staff is not only to sell out the product, but also to sell out the brand, service & quality of the club. If all these cannot meet the customer requirement, the customer shall no doubt leave for another club.

In the club sector, the good service of the service staff with close distance contact with the customer is his own duty, & maybe praised or not praised by the customer. Nevertheless, once the service staff does badly by only one time, it shall incur antipathy of the customer, & it shall be extremely difficult to re-erect the trustiness & affection of the customer. Therefore, the service staff must pay high attention to every moment of customer service. The customer is the god & the parents providing food & clothes, & this can be explained still better in the service sector.

## **4. Sales promotion deviation**

When the other competitors carry out the sales promotion activities to the customers of this enterprise, while the enterprise does not have the related countermeasures, it shall incur the “club hopping” of the customers. To speak more straight, the competitor is to undermine the customer foundation of the enterprise, & thus the countermeasure of the enterprise shall be very critical.

In the business club enterprise, the loss rate of the customer is very great, to hold the customers, the enterprise needs to do too much. The service sector is different from the pure product sector, the rigid competition enables the larger selection choice of the customers, once they slightly dislike it, they may never come again. When the competitor carries out the sales promotion activity, it shall do what it could to attract the customers of the other club, during which time, if the enterprise does not have the appropriate countermeasures, the customers may be occupied by the competitor.

## **5. Market deviation**

It means the customers leave certain market field due to market change, although the customer are disbanded from the enterprise, they do not turn to the other competitors, & it is also possible to repair the customer relation.

The emergence of this situation does not have the direct relation with other competitor, due to the impact of great economic environment, it may have some extent deviation, nevertheless, the enterprise through hard work can win back the old customers. At present, due to the impact of global financial crisis, the foreign trade, export, real estate, & industrial enterprises suffer serious impact, & the money of the bosses are greatly cut & their consumptions are not as extravagant as before, therefore, the consumption frequency & the consumption quantity are reduced in comparison with the previous time, the customers do not come to the club, nevertheless, they also do not turn to the other clubs. Therefore, closely following the market change & appropriately attracting the customers may also win back them.

#### **6. Technical deviation**

It means the customer purchase the product from the external enterprise of the sector, that is to buy the substitute. This presents most outstanding in the club sector, that is, the customer may not come to the club for consumption, instead, he may come to the hotel, & foot massage for consumption, & this substitute the one through service mode of club. It includes two causes: (1) the economic level of the customer is hard to bear the whole process service; (2) individual preference. According to the survey, in the economic level allowable scope, the customer is also preferred to the club consumption, which shall be warmer & more comfort than in the hotel & sauna room.

## **V. The basic measure to establish & maintain the customer cooperation relation**

①The establishment of customer cooperation relation is a systematic engineering which may involve every link of the enterprise operation, it is concerned with every consumption experience of the customer each time, & it is the experience combining service, quality & market, the customer service is the center, & the quality & long term commitment are used to gain the customer. Nevertheless, these three factors are often separated by many enterprises. They may pay high attention to product quality with cold human feeling, or only regard the service result, or only care about the marketing result, & this is difficult to maintain the survival.

As to business club enterprise, the relation with the customer with great opportunity of all life profit is not only a value chain relation, but also a life chain relation, & their rise & decline have the great impact for the profit of the enterprise, & even can control the fate of the enterprise. For these customers, all employees of the club, especially the management shall erect the strategic thought of “Rising & flourishing with the customers”, so as to closely connect their rise & decline with the own fate of the enterprise. The enterprise shall positively provide careful & systematic schemes for them, & in wider scope concern about & support their development, so as to reinforce the purchase capacity of the customer, extend their demand scale, instead of only selling the products & services. The enterprise shall discuss the new consumption routines & modes with them to create & promote the customer new demands. On this basis, through the contract, management or stock cooperation, etc., it shall further reinforce the relation with the customers & realize the integration with the customer organization.

### **(I) Member system based on CRM customer relation management**

The responsibility of the customer relation management mechanism is to apply the CRM(Customer Relationship Management) software system, compile the long term & annual customer relation marketing plan, make the communication strategy, on time submit the report, & implement each item of benefit of the enterprise upon the customer, deal with customer complaints, & maintain the good relationship with the customers, so as to avoid the loss of customers.

#### **1. CRM meaning**

It is developed & matured with the Internet, which comprehensively utilizes the Internet technology, through the telephone center, website, E-mail, mobile technology utilization, it can provide various channels for the customers, so as to complete the sales, service, & market functions & flows, & meet the different type & different level requirements of the customer. These channels can overall collect the customer information, & carry out management & share through

---

①Peng Yan. Enterprise & customer relation marketing implementation strategy [J]. emporium modernization,2008.7.96.

the centralized database. The data excavation technology shall help the enterprise to further analyze the customer demands & provide the decision making support.

The business club sector now implements the member system service, & meets the customers by emotion, service & quality, as well as maintains the loyal customers. Through the customer sub-division, & utilization of advanced technical system, as well as configuration of enterprise resource with pertinence, it can meet the customer requirements, implement the enterprise profit, customer satisfaction & loyalty to the greatest extent.

#### (1) Customer sub-division

The customers are sub-divided according to the customer characteristics & requirements. The customers of business club directly contact the products & services provided by the enterprise, & the enterprise shall acquire the customer information & demands through appropriate channels. In fact, each club has different customer group, some is mainly for high level business banquet, some is for warm family type consumption, & some is in face of white collar work group. The customer groups are different, the products & services provided by the club are also different. Determining the consumption groups, subdividing the customers & acquiring the customer information & demands are very critical for positioning of the enterprise. Only providing the services & products with pertinency to the customers as they required, can the potential gap be broken through, can the relation between the enterprise & customers be drawn nearer, & can the foundation for establishing long term cooperation relation be made.

#### (2) Configuration of enterprise resources

The so called resources herein mean the external resources of the enterprise & the internal human, financial, material & information resources of the enterprise, such as marketing mode selection, channel planning, service flow optimization, internal organization function optimization design, etc. Of course, it shall involve many issues, nevertheless, one major precondition & invariable principle are: these resources shall be configured with reasonable, scientific mode with pertinence, so as to reach the maximum efficiency of the resources.

At present, many enterprises pay high attention to the utilization value of the external resources, in the complicated service type sector, the customers received by the business club come from different levels of the society, therefore, it is very necessary to integrate & utilize the social resources. As the social citizen, the enterprise shall also participate in more social activities, positively bear the social responsibility, create the reliable enterprise image, & provide good social environment for the enterprise development. The internal resources of the enterprise shall no doubt have a more effective utilization, such as, selecting the appropriate sales mode meeting the self development rule of the enterprise, properly choosing the target group & sales channel, standardizing service flow & standardization, & constituting good internal organization structure, as well as creating a concerted effort management team. These seem only the most general rules & things in enterprise management, but it really needs great effort to achieve them.

(3) Meet the customer demands; implement the maximization of enterprise profit, customer satisfaction & loyalty

This is the marketing concept of the buyer market in the new economic era. The satisfaction of the customer comes from the satisfaction of customer demands, the enterprise profit comes from the customer satisfaction instead of sales extension. A satisfied customer may purchase more products of the enterprise, & is not very sensitive to the price, in addition, the customers can also speak good to the enterprise & the products & services provided by the enterprise. The satisfied customer shall ignore the brand & advertisement of the competitor, he shall positively propose some product or service suggestions. Therefore, we are always emphasizing the cost serving old customer is far lower than that for new one.

## **2. CRM software constitution part**

CRM system includes the customer supported platform, customer interaction platform, enterprise production platform. The customer relation management adopts the perfect CRM software system, & maximally implements the customer value, enables the potential customer become the actual customer at first & then loyal customer, so as to gradually explore the service market & profit space. The CRM software system core is the customer supported platform, which focuses on the customer data collection & analysis, & helps the enterprise to know more about the customers, & then the acquired customer knowledge is used for the customer service, marketing & production planning, etc.

To guarantee the effective run of CRM software system, the collection of customer data shall be complete, fresh, on time, accurate; the transmission means shall be advanced, & the role of Internet information transmission new means shall be comprehensively played. The customer data existed everywhere shall be at real time transmitted to the information for centralized management & utilization; it shall periodically carry out the deep analysis, processing, sorting & excavation for the customer data. In the CRM software system, the following information shall be recorded:

(1) The general information of actual & potential customers, such as name, address, telephone, E-mail, personal resume, individual characteristic, & general behavior mode, etc. These most basic information is in favor of subdivision of customer group, properly positioning, & can also rise the service of the club to a new level.

(2) Transaction information, such as the emerged card purchase information, complaints & consultation, etc. The member system service if the business club combines customers & enterprise closely by means of selling member card, the customer purchased card type, card quantity, consumption period, card renewal frequency & amount, etc. shall be mastered at any moment. In addition, the customer complaints, opinions, & consultation issues, etc., shall also be recorded for reference. The information, especially the real historical information can provide the valuable experiences & resources for the development of enterprise.

(3) Sales promotion information, such as what kind of promotion activities have been carried out

for the customers, & what are the effects? During anniversary, national festival & holiday, Chinese traditional festival, seasonal change, etc., the business club shall relatively carry out the appreciation expressing conference, with the promotion of sales as provision of great gift, seafood, & hotpot, etc. Through these activities, it increases the intimacy & satisfaction of the customers upon the enterprise, & this greatly maintains the relation between the customers & enterprise. In addition, it shall also acquire a lot of new customer resources & social resources. Therefore, mastering on time, objective & effective sales promotion information is very critical to the long term development of the enterprise.

(4) Individual information, such as individual preference, habit, & requirement, etc. These archives shall be protected & utilized as the maximum commercial secret of the enterprise, in addition, it shall be timely supplemented & updated by the new information, following the increase & extension of enterprise service, the new development point of the customer archives shall often be analyzed & found out. Many members of the business club coming for consumption shall be provided by special member advisers for providing individualized services, thus the customer shall feel as warm as in the family, their preferences, taste, preferred guest room, habit & interest are all recorded in the archives, when the member birthday comes, the adviser shall send the birthday cake & warm well wishing, this shall give a surprisingly pleasure to the customer. These are the simplest but also the most effective measures to maintain the customers.

### 3. Survey to the loyal member

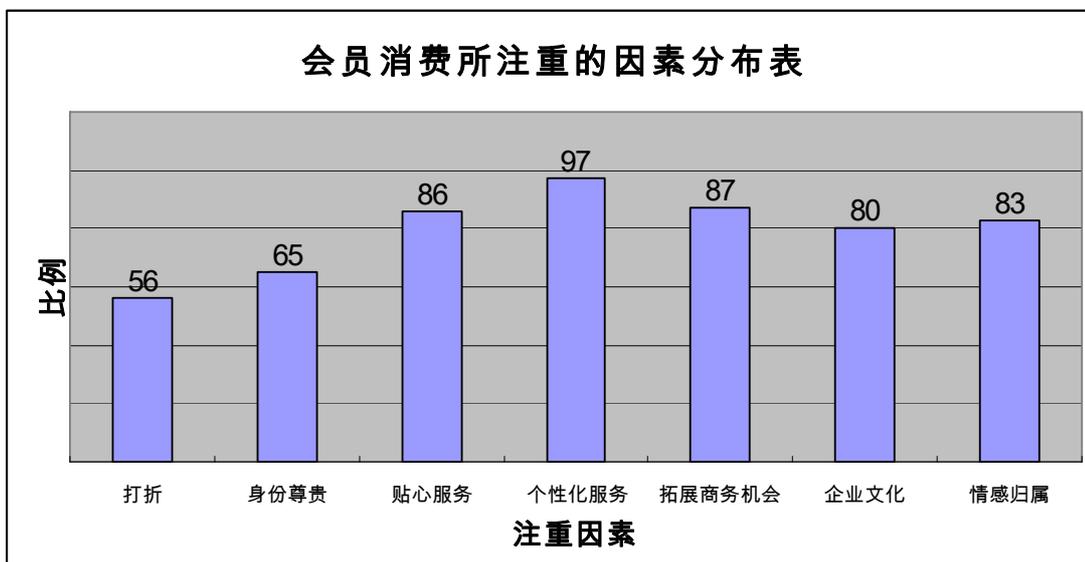


Fig. 12

The survey result shows that 95% of the loyal customers are members of the club, in the member customers, 97% of them concern about whether the members can share the individualized services, 87% & 86% of them deem the business club can extend their business opportunities with sharing of individualized service, & 83% of them deem it has the home felling (see Fig. 12)

Therefore, the member system is an important measure of strong competition, the business club is

striving to the direction of keeping the customer loyalty, so that they can be developed with the enterprise altogether, with maintaining of long term harmonious relation.

## **(II) Establish good communication channel**

Although language communication is the most basic & common nature of the human being, in the marketing process it is also hard to effectively communicate with the customer. Nevertheless, if the communication is not smooth, any relation marketing scheme shall be disconnected with the reality, & become just the paper word, & the customer loyalty & enterprise benefit shall not exist, accordingly.

If the enterprise wants to survive in this era with rigid competition & serious homogeneity, it must determine its own positioning. As to a good enterprise with stabilized development, a very important advantage is to master the customers & market demands, & thoroughly understand the target customers. If the enterprise cannot master the real demands of the customers, the customers shall always possibly leave for other ones. Understanding more demands of the customers shall enable the timely change with provision of good quality & sufficient quantity satisfied service, thus the enterprise shall positively offer the cogitative schemes before the competitor can understand & before the customer's suggestion is proposed, & this shall increase the win possibility in the sector competition. Therefore, communication is indispensable to enterprise marketing scheme.

Promote the good communication, & thus it shall become a marketing sharp sword. We shall following the rules as "know both ourselves & the competitors, modesty & cautious, reception with frank, as well as definite object ". Through the gradual communication, the employee of each department of the enterprise, when each time contact the customer, shall help the enterprise to find out the potential opportunity. If each time contact includes the good communication, the enterprise may accordingly find out the different potential demands of the customers, thus it can improve the customer satisfaction, & then establish & maintain the good relation with the customers. Therefore, through the contact & the information exchange of the contact process, the communication between the enterprise & the customers shall be guaranteed. We shall be good at listening to the opinions of the customers, & capture the opportunities therein, also, the enterprise shall be good at handling complaints of the customers, this is a responsible relation marketing. Through the gradual communication, we shall have a clear thought to determine the next step regulation & improvement measures, these regulations & improvements are also based on the win-win of the customers & enterprise benefits, this shall help the enterprise to make proper determination of the development trending of the future demands, so as to take some strategies & actions with pertinence according to the customer value area.

## **(III) Positively promote the service & product innovation**

### **1. Increase the financial benefits of the customers**

As to the loyal customers, they can share better & more products with paying same prices. The most common method is to offer preferential prize benefit to the frequent present customers.

When the prizes are offered to the customers, it shall care about the three aspects: ① whether the enterprise has the capacity to offer the prizes to the customers. During provision of prizes, different customers shall be differentiated. In the club sector, the general method is to “return the benefit as per point”, that is to return the money as per the card amount. Secondly, it shall pay attention to long term benefit, one time sales promotion activity may not generate the loyalty of the customers, on the contrary, it shall consume great financial & material forces. Even the sales promotion is effective, it shall also be followed by the competitor. Therefore, the frequent sales promotion activity is not the best marketing measure. ② whether the customers pay high attention to the prizes of the enterprise. According to the angle of customers, the prize value is determined by the factors as cash value, selective prize type, customer desired value, appropriate/inappropriate prize method, convenience of acquiring the prize, etc. ③ whether the enterprise need to cooperate with other enterprises for joint prizes upon the customers. As the most enterprise, it is impossible to improve the prize value separately by above mentioned five aspects. This enterprise may establish cooperation relation with the other enterprises to make joint prizes upon the best customers.

Such as, the business club cooperates with the golf course, & provide the golf free tickets for the customers consuming up to the fixed amount, when the customers come to golf course for consumptions (may be the first time), they may be interested with the golf from then on, & shall frequently come to the course latter, in addition, they are also very pleased. The business club & the customers both acquire the benefits, as to golf course, this is also an advertising channel, & accordingly, it also acquires the benefit.

Another example, the business club provides “frequent prize scheme” to the one with frequent consumption in the club that is to add the prize score as per accumulation of consumption, when the score reaches certain number, it shall provide the free consumption prize for the customer, or provide a higher level guest room for the frequent present member customer. Although this type of plan, with increase of customer financial benefit, can establish the preference of the customer upon the club product, it may be easily simulated by the competitors, therefore, the business club cannot own the long term advantages through such plans, & it also has to reinforce the own competition advantage through increasing the social benefits of the customers.

## **2. Increase the social benefit of the customer**

The method to increase the customer’ social benefit is to understand the unique demands of the customer, & provide the special & individualized product & service, so as to establish the good relation with the customer. For example, the business club appoints one member adviser for each existing or potential customer for periodic contact, so as to in details understand & record the demands information of each customer, & be familiar with the customer chief person’s name &

individual interest, etc. It is not like the service staff in the supermarket who shall not concern about the customers' name & individuality. The practice proves that the individualized service & emotion service shall be in favor of constituting loyalty of the customer, to enable the individualized service more positive & planned, the individualized service level must be lifted, so as to gradually set up the specification of individualized service for standardization thereof. This needs two guarantees: (1) hardware, it is also the above mentioned database guarantee, through the database generalization, various customer information are analyzed, so as to help the club to find out the target customer group & deal with various customer archives. (2) software, it is also the education level, the individualized service is always in the smelting & sublimation status, the club shall gradually improve the service technique, skill & knowledge level of the employees to guarantee the more careful & warm hearted service.

### **3. Establish the stable & convenient contact mode with the customers**

The method for establishing stable & convenient contact mode with the customers includes four points, first, establish the club communication institution, provide communication device, & reinforce the relation with the customers, it is very appropriate for the hotel carrying out marketing for the target customer as the enterprise, institution, tourism company, etc. such as, setting of 400 free fee consultation & booking phone, establishing fixed communication with the big enterprise, so that the club can become the agency for the big enterprise's tourism, conference business. Second, network marketing, set homepage in the Internet to carry out dialog type & target sales promotion with the customer straightly. In addition, it shall also utilize the E-mail for receiving booking & consultation. Third, implement the customer organization strategy. According to the characteristics of the own customer source structure, through the effective customer organization strategy, the customers shall be incorporated in the internal system, so that the club & the customers have a close combination. Such as, establishing XX essence club, free fee carrying out various negotiations, research conferences, report conferences, & sodalities to attract the large number of commercial circle & political circle famous people, & enable them to become the loyal customers. Fourth, establish the strategy union to increase the relation marketing capacity, such as, establishing network partner relation with other hotels, tourism companies, suppliers, airline companies, & tourism distributors, etc., when it provides convenience for the customers, it shall bring about more customers for the club.

### **(IV) Establish the enterprise culture appropriate for the customers**

The enterprise culture is the important intangible asset of the enterprise, & plays the critical role for the survival & development of the enterprise. The modern enterprise shall have its own unique style enterprise culture, through this intangible spiritual force, it shall push forward the economic development of the enterprise. Therefore, to successfully implement the CRM, it must be supported by appropriate enterprise culture.

The enterprise culture is the key factor for the enterprise effectively constituting the harmonious relation with the customers. The drive force & cohesion force of an enterprise are both sourced from the enterprise culture. The enterprise shall have to erect the culture concept with center of

customers, & change the thought into the self-conscious actions of the vast employees, thus it shall improve the loyalty of the customers. The loyal customers are the cooperation partner of enterprise success. Therefore, establishing modern enterprise culture is very critical to constituting harmonious customer relation.

#### 1. Erect the enterprise culture concept of “the customer is center”

All enterprise employees shall erect the concept of “the customer is center”, which is only stayed in the slogan stage, what is more important, is the action. The customer is the center, its object is to understand the demands of different customer groups, & provide the individualized services for them. The customer oriented culture concept at first shall acquire the support of the high level leader, & the confidence & decision of the enterprise management shall have huge impact upon the reform of the enterprise culture.

#### 2. Pay high attention to the value of customer resources

With the change of market environment & change of competition pattern, the understanding of enterprise upon the customer resources is increasingly general & deep. The customer demands are the foundation of the survival & development of the enterprise, especially the information resources regarding the demands & expectations of the customers. The customers’ “participation” in the production process, & their input of unique resources to the enterprise mean that the customers will no longer passively accept the products & services produced & delivered by an enterprise.

Therefore, when the enterprise is closer to the customer life, & increase the contact with the customer, communication, the enterprise shall have more possibility to gain the affection & trustiness of the customer, & therefore obtain very rich & valuable customer information resources.

#### 3. Create the mutual-study enterprise culture

The understanding of the enterprise employees upon the customers is partly & unilateral, this requires the internal staffs of the enterprise carry out mutual communication & study. As above mentioned, the customer is the source of enterprise product & service innovation & the important study source. The customer demands are the catalyst of study & update of the enterprise. As for the customer demands, when the enterprise are searching for the resolution method, it is in fact a gradually study & gradual innovation process.

#### 4. Implement the enterprise Platform & background resource optimization & integration

ERP pays high attention to the optimization & integration of the internal resources of the enterprise, which can effectively resolves the large number of basic work in the enterprise, improve the internal value & capacity of the enterprise, reinforce the background resources management, & greatly improve the internal work efficiency. Therefore, the enterprise can have

the time & power to reinforce the external work. In addition, with the change of market environment, the enterprise must be in face of the market & the customers, only when the ERP & CRM are effectively optimized & integrated, can the enterprise core competition be improved. In the enterprise comprehensive management, the ERP & CRM module techniques may be butt connected, so as to integrate the enterprise internal/external resource & capacity, & serve the customer better, as well as properly deal with the customer relation & improve the customer satisfaction & loyalty.

#### 5. Advocate the enterprise individualized service

Individualized service is a service mode with pertinence, & is realized according to the customer demands, so as to seek improvement, integration & sorting for resources by various schemes, & provide & recommend the related services for the customers, as well as meet the customer demands. Generally, the individualized service breaks through the traditional passive service mode, & can comprehensively utilize various resource advantages for positively carrying out the overall service meeting individual demands of the customers. The foundation of survival & development: the customers have the final speak right & judge right for the issue “what kind of product property is most important”.

### **(V) Gradually improve the enterprise reputation**

To maintain the relation with the customers, the key is to improve the quality of relation of customers & enterprise. The relation quality means the trustiness & satisfaction of the buyer & seller parties. Improvement of relation quality is favorable for both parties. Thus the enterprise & customers relation can be maintained. In all customers, the enterprise, especially the service enterprise can acquire the maximum profit from the loyal old customers. Compared with the creation of new customers, holding the old customers can greatly save the marketing cost & startup service cost. The loyal old customers shall long term purchase the enterprise service, & are willing to pay fairly high prices for the high quality services of the enterprise, & extend the customer sources for the enterprise by oral broadcasting. Then how to maintain the customers relation?

To maintain the customers, at first it shall determine the customer types (as above mentioned five types of customers), & the all life value of each customer.

Make & perform commitment for the customers, & realize the satisfied win-win exchange, are only the first step of customer relation marketing. In the latter communication with the customers, if it cannot meet the customer requirements as the first time does, the customer may have the feeling of being fooled. When the dissatisfaction of the customer is accumulated to a certain extent he shall move to the other club, incurring other negative effect. To enable the loyalty of the customer, it must consider the potential competition threat, according to the customer demands & potential demands, the new commitment shall be gradually & positively offered to the customer, each time it shall be carefully performed, through the satisfaction of the customer each time, the reputation shall be gradually established & improved, so as to reinforce the relation with the

customer.

To maintain the customer & improve the customer relation is mainly to obtain the trustiness of the customer. The trustiness is the attitude of the people upon the dependability & goodwill of the trust object. The dependability is that, one party deems the commitment of the other party is believable, the goodwill means the serious concern of one party upon the other one, & the wish for mutually obtaining the benefit. In most conditions, the buyer & seller parties relation have the possibility of breaking, that is to say, when the customer can not determine the consequence of the major purchase decision making, the trustiness shall greatly impact the purchase decision making of the customer.

## **(VI) The emotion is the catalyst & coagulator of the customer relation marketing**

The people have the emotion, after the human being enters the developed commercial economy society, everything becomes commodity, & shall be balanced by value, nevertheless, the emotion is priceless. When the people select the suppliers, in the same conditions, they shall usually first take into account the one of domestic, same nationality, same kindred, & own friend & relation, & the emotion plays an important role therein. The emotion has the effect of catalyst & coagulator for cultivating, improving & maintaining the customer relation.

In the commodity transaction, Chinese nationality usually pays high attention to emotion. Against the competition threat of the transnational enterprise with strong economic & technical power, high product quality & rich marketing experiences, we shall comprehensively utilize the characteristic of the nationality, to carry out emotion marketing for the domestic customers. Through the emotion of nationality, friend, classmate, teacher & student, & kindred, the potential customers shall be found out, through the cultivating & improving the emotion, the wide customer relation shall be established & reinforced.

Properly utilize the emotion factor to implement the customer relation marketing. First, in all employees, it shall really erect the customer oriented consciousness considering every aspect of the customer & resolving their emergency issues, so as to optimize the existing service flow, & move the customer by over-value service. Second, widely collect the customer information, including the individual information of some key persons in the customer organization, & establish the customer information database. Establish various club modes such as honored guest card, its member mainly includes the existing customers & potential customers of the enterprise, the members shall be provided by various customized services, such as priority of accommodation, & preferential price share, etc. The forming of customer club shall reinforce the mutual understanding between the club & the customers, so as to cultivate the loyalty of the customer upon the club; through the situation of the customer, it shall be fed back to system, so as to know about the customer demands. The club product & service are advertised through its members. This is a positive relation marketing. Third, meet the special requirements of the customers, & the service is carried out according to the different requirement of each customer. The customer marketing is in favor of establishing long term relation between the club & the customers, since the service provision is one to one mode, this is the highest level partner relation marketing. In

addition, when the enterprise carries out interaction information communication with the customers, it shall timely understand their new situations & new issues, so as to sincerely make response as greeting, understanding, sympathy & support, etc. Fourth, utilize any opportunity to carry out some friendship conferences with the customers, so as to increase the friendship mutually. Fifth, understand the demands of the single customer, & enable the individualization & humanism of the service, so as to improve the social connection between the club & the customers. Such as provision of some small gifts as card, etc., in the festival together with share of some privacy information, all these shall increase of the possibility of the customers staying in our club.

## **(VII) Perfect enterprise internal marketing management system**

The customer relation management is a complete flow consisting of internal flow & external flow. The external customer value is created by the internal customers. If the internal customers are not satisfied, it shall not guarantee the external customers value. The USA marketing expert John pointed out that, sometimes the internal customer complaints is more serious than that of the external customer; the external customer complaint loss is a market, while the internal customer complaints may collapse a whole enterprise. When the enterprise is seeking for the customer satisfaction & customer loyalty, it shall increasingly find out the important role of the marketing executor (even the whole employees) upon the final effect.

The internal marketing concept emerges with the research of service marketing, Betty in 1976 first time used this concept, till now 30years have passed, there is still not a comprehensively recognized definition & model. According to the two basic theories of “internal customer concept & work is the economic provision”, internal marketing may be defined as: the enterprise establishes the internal market, utilizes the marketing strategy & method to coordinate & handle with the internal market relations, absorb, develop, stimulate, & hold the excellent employees, so as to reach the satisfaction & loyalty of the external customer upon the company & product thereof, & realize the marketing object. Implementation of internal marketing may includes the four aspects hereinafter:

### ***1. Provide occupational development plan & career schedule for the employee***

Many companies also deem that it is very important to provide the occupational plan & career schedule for the employees. They even utilize this clew in the company training management & human resource system. The company shall sort the employees by certain standard, so as to guarantee that various data information is timely inputted in the CRM system, & appoint & implement appropriate prize plans for different employees. As to each type of work position, it shall be designed by definite promotion class index system, with the effort of the employee, & the promotion of the level, the employees shall form the internal pursuing drive force. This promotion rule in some significance shall become the career schedule of the employee, & can enable the employee positively strive to reach the requirement, so as to acquire the individual value & benefit, & improve the employee work productivity & service quality.

### ***2. Constitute the internal marketing framework***

The internal marketing is carried out surrounding the internal customer psychological & emotional characteristics, therefore, it can be fused by experience the marketing (the nature is to help all customers to really reach the self implementation) concept, so as to constitute the internal marketing framework model. The basic factor includes five aspects: work, situation, event, invasion & generalization. The work emphasizes the employee orientation, staff communication & psychological feeling; the situation emphasizes the soft & hard environment of work, such as place, facilities, regulation, enterprise culture, internal information channel; the event emphasizes the employee's individualization & initiative; invasion emphasizes the positive participation, the encouragement & the achievement feeling; generalization is not the review for capacity & achievement, but is necessary for self growth with share of generalization. Work is in fact a study process, the company & employees shall all obtain & accumulate the experiences & knowledge. Therefore, internal marketing generalization must be established on the basis of re-scan upon the performance examination mode.

### ***3. Set the relation manager***

If the enterprise cannot carry out the internal marketing, the excellent employees may endure this or select to leave. The core duty of the relation manager is to become the center of communication, so as to promote the mutual communication among the enterprise, employees & customers, & coordinate the conflicts respectively between the internal employees, labor party/capital party & employee/customer. As to internal employees, it shall be set by real time interaction channel of information communication, so as to constitute the connection mechanism, feedback mechanism, answer mechanism, & timely know about the demands of the employee to resolve the conflicts & problems.

As for business club, the traditional transaction marketing mode is far away the enterprise development demands. To deal with the enterprise internal relation, if we want to improve the competition & business efficiency of the club, we only have to implement & promote the customer cooperation relation strategy on the basis of traditional mode, so as to establish & develop the good relation with customers, competitors, government authorities & other publics, & relying on the mutual coordination of above mentioned aspects shall enable the stable relation between the club & customers, & accordingly, the business club development shall be really advanced rapidly. As the actual operator of the club, in this article we mainly emphasize that, the relation between the enterprise & customers is a long term, stable & harmonious cooperation one, & this is one of the most important factors impacting the enterprise development.

## Reference documentation:

1. Adrian Payne, etc. Relation Marketing——Constitute & maintain the competition advantage [M]. Beijing: China Citic Press, 2002.
2. Lv Guangyuan, Wang Yanhong, Wang Yin. China Marketing Theory Development New Dynamic Status in 21th Century [J]. Business Research, 2000, 10.
3. Liang Shuying. Customer Relation Marketing Strategy Discussion [J]. Jiangxi Broadcast TV University Journal, 2005, 1.
4. Ma Qingxue. Customer Relation Marketing Analysis [J]. Business research, 2003, (2), 93.
5. Tang Yingzhang, Sun Ni. One to One Marketing——Customer Relation Management Core Strategy [M]. China Economy Pressing House, 2002.
6. Wang Yanqin, Perceptual Consumption from Warm hearted [J]. Marketing Management, 2006, 3, 34.
7. Xie Shiyu, Economy Game Theory [M]. Beijing: Fudan University Pressing House, 1997.
8. Yang Tao. Customer Relation Marketing Research [J/OL]. China Marketing Broadcast Net, 2002.
9. [UK] John Egan, Hong translated. Relation Marketing: Analysis of Marketing Relation Strategy [M]. Beijing: Economy Management Pressing House, 2005.
10. Zhu Xianye. Price War Game Analysis & Avoidance Strategy [J]. Jilin Province Economy Management Cadre University Journal, 2007, 8.
11. Zhen Guojuan, Baiqinghua, Perceptual Marketing Warm Hearted Based [J]. Enterprise Economy, 2006, 10, 66.
12. Zhang Jing. Customer Relation Marketing Application Research [J]. Enterprise Management. 2005, 3.
13. Zhu Bolun. GRM based channel conflict & win-win management [J]. commercial times, 2003, 35.
14. Vidal, Shure & Ao, 《The Buyer & Seller Relation in Development Progress 》, USA Marketing Society Pressing House, 1987
15. Cristoforo, etc. 《 Pursuing relation marketing with competition advantage, gain & hold the customers 》, 1991, P.7
16. Situobaka, 《Service Sector Management International Journal 》, mark the book or article name 1994, P.22~23

## Annex: survey questionnaire

### No. Questionnaire

## Market survey questionnaire of Beijing Business Club Customer

To understand the market demands of customer & competition impact factors of Beijing business clubs, speed up the development thereof, & provide better quality service as well as create more comfortable club environment for the customers, we carry out this survey research. Please fill in the questionnaire, your information & answer shall only be used as our research & are strictly secured. Thanks for your support.

Yihai International Business Club Marketing Department

1. Are you the first time consumption herein?  
A Yes B No
2. If the first time, why consumption here?  
A. Geographic location B. brand C. price D. enterprise culture E. service quality F. friend invite G. consumption environment H others\_\_\_\_\_
3. are you member of the club, if yes, continue with question4, if no, skip to question5:  
A. YES B. No
4. What kind of factors below enable you become the member (multi option)  
A. price B. dignity of identity C. careful service D. individualized service E. explore business opportunity  
F. enterprise culture G. emotion H. others (described in details)\_\_\_\_\_
5. Please make the general evaluation for the club:  
A. Very satisfied B. satisfied C. common D. dissatisfied E. extremely dissatisfied
6. What is your main object for club consumption  
A. communication requirement B. leisure & relax C. seek pleasure D. pursue healthy life  
E. consume time F. others(described in details)\_\_\_\_\_
7. What is your time interval for coming to club  
A. 2-3days B. 1 week C. half month D. 1 month E. irregular
8. Which situation shall enable you come to the business club?  
A. receive the valuable guest B. banquet C. employee welfare D. kindred & friend gathering E. others(described in details)\_\_\_\_\_
9. Are you come to the club individually or accompanied by others?  
A. individual B. less than 5 persons C. 5-10 persons D. 10 persons above  
E. others(described in details)\_\_\_\_\_
10. What is your consumption each time in the club?  
A. 200 Yuan below B. 200 Yuan to 499 Yuan C. 500 Yuan to 999 Yuan D. 1000 Yuan to 1999 Yuan  
E. 2000 Yuan to 4999 Yuan F. 5000 Yuan to 9999 Yuan  
G. 10000 Yuan to 19999 Yuan H. 20000 Yuan above
11. Which preferential policies below can attract you most?  
A. discount B. gift donation C. lottery D. free fee experience of feature item in the club  
E. others(described in details)\_\_\_\_\_
12. why select cash consumption in the club?

A. trouble for purchasing card B. know nothing about welfare of member C. occasional consumption

D. each time cash consumption, no need for purchasing card or becoming member E. others(described in details)

13. Are you satisfied with the money return for handling member card of business club?

A. satisfied B. common C. dissatisfied D. others\_\_\_\_\_

14. your card type\_\_\_\_\_,why hold this type\_\_\_\_\_

15. will you introduce in other persons for this club?

A. Sure B. maybe C. not certain D. may be not possible E. never

16. Are you coming to other clubs except for this one?

A. Yes B. No

### **Individual Information:**

1. Responder sex

A. Male B. Female

2. Your age:

A. below 25 B. 25-34 C. 35-44 D. 45-60 E. 60 above

3. your occupation( )

A. government authority management staff

B. state owned enterprise management staff

C. foreign/private enterprise employees

D. foreign/private enterprise management staff

E. public institutions( hospital, school) work staff

F. public institutions、 Management cadre

G. professional staff (doctor, lawyer, reporter, etc.)

H. Arts & sports work staff

I. Freelance

J. retired staff

K. student

Again thanks for your cooperation

**Club name**      **surveyed by**      **date**