

The Moderation Effect of Supply Chain IT Capabilities on the Association Between Customer Relationship Management and Organisational Performance of Thai Restaurants and Hotels

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Supply chain IT capabilities and Customer Relationship Management (CRM) have become increasingly popular academic and practical topics in the business field. In competitive environments, such as the restaurant and hotel industries, CRM and supply chain IT capabilities have become crucial strategies to increase restaurant and hotel performance. This study intends to examine the moderating effect of supply chain information technology capabilities on the association of customer relationship management and the performance of the restaurants and hotels of Thailand. Data was collected using a survey method, whereby a total of 450 questionnaires were distributed to restaurant and hotel managers, yielding a 44.44 % response rate (200 useable questionnaires returned). Structural model assessment was conducted to test the relationships among CRM, supply chain IT capabilities and hotel performance. The results show a positive relationship between CRM dimensions and hotel performance. Moreover, supply chain IT capabilities play a moderating role in the relationship between CRM and the organisational performance of Thai restaurants and hotels. The study presents a new empirical insight for managerial decision for Thai restaurants and hotels.

Key words: *Organisational Performance, supply chain IT capabilities, CRM.*

Introduction

Tourism has become a significantly, rapidly growing sector of various economies. Internationally, from an export perspective, tourism is recognised as the fourth largest export product next to petroleum, chemicals and food items (Meo et al., 2018). Likewise, tourism develops results in the creation of additional jobs and enhances the growth of countries in a developing context. With this global growth in tourism, countries have started to pay more attention to the tourism industry (Pablo-Romero & Molina, 2013; Jermisittiparsert & Chankoson, 2019; Jermisittiparsert, Joemsittiprasert, & Phonwattana, 2019). The tourism and hotel industries have a positive impact on the economies of many nations by providing foreign remittances, helping the balance of payments significantly and contributing to foreign mature repayments.

The hotel and restaurant industries are regarded as the core elements in the tourism industry, and their performance plays a vital role in enhancing economic growth (Vučetić, 2018). They provide employment opportunities in areas of high unemployment. In many cases, hotels offer only seasonal jobs, but they are still beneficial to citizens. The restaurant and hotel industries also feed diverse industries and have a multiplier effect (Zailani, Omar, & Kopong, 2011). Therefore, governments must pay special attention to the development of the hotel industry. Highly aggressive competition in the restaurant and hotel industries is one of the greatest challenges, as high competition is characterised by increasingly narrow margins. Hence, there is pressure to provide effective services, which results in increasing costs. In line with this argument, Luo, Yang, and Law (2014) argue that in contemporary business competition, intense competition in the industry has decreased customer loyalty as well as stay frequency.

Previous studies have suggested that to confront this problem, hotels must develop resources or capabilities to maintain customer loyalty and create patterns of repeat purchases (Castellanos-Verdugo et al., 2009; Wu & Lu, 2012). They further argue that customer retention has become especially important because retaining existing clients is more beneficial than attracting new ones (Sun et al., 2017). Another common challenge faced by hotel managers has been retaining customers by offering specific features. It has become increasingly difficult to retain customers through unique features, as those offers in the hospitality industry are similar to each other (Jayawardena et al., 2013). The hospitality industry is also facing challenges arising from globalisation, increased turnover of customers, the increased costs of retaining customers and increases in customers' expectations. In other words, the performance of hotels and their competitive advantages depend on their capabilities to meet customers' needs effectively and efficiently (Olsen & Connolly, 2000).

The key to success in the hospitality industry is to build a relationship with customers rather than simply to provide high-quality services and products (Kousar et al., 2019; Olsen & Connolly, 2000). Kotler et al. (2006) stated that higher levels of customer satisfaction and strong relationships with customers are considered primary sources of revenue to service industries, as well as main indicators of performance. Thus, retaining customers by enhancing their satisfaction, loyalty and ensuring strong customer relationships is important to the development of the hospitality industry. Clients are regarded as milestones of success in the existence of hospitality businesses. With regard to practical and academic research, it is argued that the achievements of an organisation chiefly depend on its management efficiency in sustaining relations with existing and potential customers (Rashid & Tahir, 2013). Resultantly, numerous organisations focus on making it possible to practice customer-oriented methods in their management and with their workers (Wolfe & Kim, 2013). By considering the importance of this concept, the idea of Customer Relationship Management (CRM) has rapidly emerged since the 1960s in order to retain potential and existing customers (Castellanos-Verdugo et al., 2009).

CRM is focused on providing long-term modifications and advantages to businesses opting for its adoption, as it allows them to interact effectively with customers in an active and productive way. Kotler et al. (2006) defined CRM as a comprehensive technique to build and maintain effective customer relationships through delivery of superior customer value and satisfaction. Customer orientation remains a main factor in implementing CRM in organisations and consequently improves organisational performance (Garrido-Moreno & Padilla-Meléndez, 2011). Therefore, the current study uses the CRM dimensions of customer orientation, CRM organisation, information organisation, and knowledge management. Furthermore, these above dimensions must be integrated to reflect an overall approach and should implement the CRM construct successfully in an organisation.

CRM has become a centre of activity of every business, particularly of service businesses, where it is used as an important tool for building relations and customer retention (Tamilarasan, 2011). It has also been argued that the application of CRM in organisations is becoming more prevalent. Therefore, CRM has been reported to be one of the most discussed issues and a topical area of interest in the area of business (Mohammed & bin Rashid, 2012). Several studies have revealed that CRM strategy can improve organisational performance and create a competitive advantage in the market (Mohammed & bin Rashid, 2012; Rafiki, Hidayat, & Al Abdul Razzaq, 2019; Tamilarasan, 2011). Specifically, CRM can be used as a strategy to improve hotel performance. Accordingly, Vukšić et al. (2015) argued that CRM should be considered by decision makers as a chance to maximise customer value and to decrease the costs of customer attraction and retention. Recently, studies of CRM have focused on particular service sectors, such as the financial sector (Akroush et al., 2011),

telecommunications (Beldi, Cheffi, & Dey, 2010) and healthcare (Attharangsun & Ussahawanitchakit, 2008).

Still, limited research is available regarding the hospitality industry despite argumentative support that by implementing CRM approach, the industry may gain great benefits. Additionally, several researchers have the opinion that there is a dire need for further research in the area of CRM application and its influence on the performance of businesses (Garrido-Moreno & Padilla-Meléndez, 2011; Rafiki et al., 2019).

Furthermore, some of the studies have concluded that CRM strategy has an effect on firms' performances more effectively with the combination of other variables. Hence, further research is required to explore those moderating variables. Specifically, Akroush et al. (2011) contended that more studies will be crucial to investigate intervening variables of CRM dimensions and organisational performance. For that, CRM as a competitive strategy can be implemented successfully if it is combined with other resources in organisations, such as supply chain capabilities (Al-Shboul et al., 2017; Garza-Reyes & Kumar, 2018). Previous empirical studies have explored the extent to which supply chains act as drivers that lead to differential performance among organisations. For example, Al-Shboul et al. (2017), Garza-Reyes and Kumar (2018) and Lee (2015) indicated that supply chain capabilities have the greatest impact on organisational performance.

Previous empirical studies have indicated the relationship among CRM dimensions and supply chain technology. Regarding this, Tseng and Liao (2015) contended that customer orientation and supply chain IT competencies contribute equally to improvement for organisational success. Green et al. (2019) argued that overall processes around workers, such as business culture, strategies, policies and management support, are affected by supply chain competencies. According to previous researchers, a positive and significant relationship exists between information management and supply chain capabilities (Ahi & Searcy, 2013; Green et al., 2019; Julia & Kassim, 2019).

The smooth and accurate flow of information upstream and downstream in the hospitality management supply chain is essential to enhance the performance of overall hospitality industry (Jones, Hillier, & Comfort, 2016). In the twenty-first century, supply chain technology is necessary to support information sharing (Naway & Rahmat, 2019). Naway and Rahmat (2019) noted that information sharing was not a one-way street. Thus, the emphasis on upstream and downstream flows of information and material is notable. Supply chain IT capabilities have a key role in improving customer relationship management and the performance of the businesses. Based on these discussions, this study uses supply chain IT capabilities as a moderator variable regarding the association of CRM perspectives (i.e.

customer orientation, CRM organisation and knowledge management) and hotel performance.

Additionally, most research regarding CRM has been conducted in the context of developed countries and addressed the theme of enhancing its application in the USA and Europe (Beldi et al., 2010). In spite of global recognition of CRM, very few studies have been conducted by researchers in developing economies (Kumar, Sunder, & Ramaseshan, 2011). Consequently, there is dire need to conduct further studies regarding CRM for the purpose of general application of CRM information outside the European context. This is because only a few studies have been conducted in developing markets, such as South America and Asia. These markets are becoming more and more significant for business today.

The tourism sector has significant potential growth areas in Thailand's services economy. It has contributed in terms of growth and economic value to the GDP of Thailand (Stettler et al., 2018). Thailand has witnessed rapid growth in the tourism industry. UNWTO predicts that growth in international tourism is set to continue, especially in Asia, the Pacific region and the Middle East. Tourist turnover in the Asian and Pacific regions is expected to double in this decade, from 195 million in 2010 to what will be 397 million in 2020. Similarly, the regional contribution of global tourists will be 25.4% in 2020 (it was 14.4% in 1995) (UNWTO). The hotel and restaurant industries are two of the main components of tourism, and as such they are two of the most promising sectors in Thailand. Therefore, there is a need for appropriate planning to enable them to fulfil the economic targets of the economy (Awang et al., 2008). In order to support the growth of tourism, Thailand offers a wide range of accommodation to visitors, including hotels, individual guest houses, motels, self-catering and other types of private accommodation.

Furthermore, in today's highly competitive hospitality industry, the Thai hotel and restaurant industries are relatively vulnerable to international and foreign competition (Awang et al., 2008; Stettler et al., 2018). This study helps hotel and restaurant managers to be more aware of the factors that have an effect on their overall organisational efficiency. This is so that internal resources, such as CRM dimensions, can be managed well and properly aligned with supply chain IT capabilities to improve their performance. The hotel industry plays a vital role in the Thai economy. Therefore, it is important to investigate how the hotel industry's performance can be improved.

Literature Review

In general, business success and performance may be examined objectively as well as subjectively. Objectivity considers the comparison of organisational performance with tough economic events, while subjectivity is connected to individual problems. Oyewobi et al.

(2019) investigated performance measurement practices in the context of independent hotels and found six measurements. Firstly, business dynamics reveal the information sharing in hotel departments. Secondly, general performance procedures are concerned with recognising the performance measures used by numerous departments for summarising the overall performance of an organisation. Thirdly, workers' performance measures are concerned with the vital role of employees in facilitating accommodation, food, beverages, and relaxation services. Fourthly, client satisfaction measures are concerned with understanding customer needs and consequently developing a system to satisfy them. Fifthly, financial performance measures are concerned with financial measurements, which are measured and used at various stages of businesses and examine appropriation in applying these measures. Finally, innovative measures are concerned with the innovative process, services and various ways of providing services to customers (Lukes & Stephan, 2017). Performance measures have also been developed to assess either actual performance results (output), or activities that help to generate performance (Melián-González & Bulchand-Gidumal, 2016). Output controls indicate what is to be achieved by focusing on performance behaviour (taking into account objectives and performance targets). Behavioural performance assessment is suitable for organisations in which performance results are difficult to measure and in which there is a clear cause-effect relationship between results and activities (Bilousova et al., 2009).

Financial performance is important and acceptable for understanding organisational effectiveness. This leads to many benefits that good organisations provide for their relevant stakeholders and society at large (Fullerton & Wempe, 2009). An additional performance measure is provided by Lau and Amirthalingam (2014) by introducing a model, namely a Balanced Scorecard (BSC), which attempts to provide an appropriate performance measurement for organisations. Additionally, Lau and Amirthalingam (2014) argue that only financial measures are sufficient to assess the competitive position of an organisation. Consequently, the BSC method covers financial and non-financial measures, such as customers, inside processes, information and progress.

CRM and Business Performance

CRM with supply chain technology is growing in popularity and becoming one of the most popular topics in the business field. This is because of its benefits, such as its ability to improve corporate performance and customer loyalty in the long term to achieve healthier financial gains. CRM is becoming more common, indeed imperative, in many sectors, such as financial services, the medical field and hospitality (Ahmad, 2015). Boulding et al. (2005) noted that CRM has the potential to improve business performance and benefits for customers through the creation of double value, which means that customers receive value through their needs being satisfied, and companies receive value through frequent purchasing by customers. Sigala (2018) found that the successful implementation of CRM enables banks

to interact, learn and transmit effectively for extensively improved sustainability ratios. Bilgihan et al. (2015) provided support for the argument, contending that the effective application of CRM creates a positive impact on customer-oriented performance, such as customer retention, satisfaction, and loyalty. They also asserted that customer-related outcomes were witnessed to have a positive association with organisational performance. The study of Valmohammadi (2017) argued that one of the business units involved in a study realised an increase in corporate profits of 270%. The study directly measured both the costs and revenue associated with the activities of CRM to evaluate the overall profits. Stringfellow, Nie, and Bowen (2004) also declared that successful CRM implementation may have a dramatic effect on performance.

Several studies have found that customer satisfaction, its retention and loyalty are directly associated with the effective application and implementation of CRM (Attharangsun & Ussahawanitchakit, 2008; Gustafsson, Johnson, & Roos, 2005). This also includes service improvements in hotels because it helps to manage guest grievances (Rashid & Tahir, 2013). In conclusion, empirical evidence supports the argument that CRM may lead to better performances. Meanwhile, Awang et al. (2008) evaluated CRM performance from two perspectives. The first is customer behaviour, which measures repurchasing, word of mouth, as well as cross and up-selling. The second perspective is relationship quality, which measures brand loyalty and customer satisfaction. Camarero Izquierdo, Gutiérrez Cillán, and San Martín Gutiérrez (2005) proposed a framework to measure CRM success based on marketing and economic performance, with the measures of customer loyalty, market position, and economic performance. Dubey and Sangle (2019), in their study of CRM's critical success factors, suggested various criteria for evaluation of the success of CRM initiatives, including the customer effect of retention and satisfaction, measurable revenue growth, enhanced information and views, measurable cost reduction, enhanced employee productivity, enhanced utilisation and compliance of employees.

Chang and Ku (2009) studied the association of CRM and organisational performance, using the balanced scorecard measuring method of organisational performance. This includes four performance perspectives that are economic, customer, inside processes, and knowledge and development. They found that successful CRM within an organisation can lead to a better quality of customer relationships, efficient business operations, better understanding of customer needs and attainment of customer loyalty. Krasnikov, Jayachandran, and Kumar (2009) conducted a study to test the effect of CRM on commercial banks' performance. They concluded that its application may have had a negative influence on cost-effectiveness. Most importantly, the results also showed that it increased the efficiency of a commercial bank, regardless of its impact on cost-effectiveness. Therefore, organisations need to be patient with the application of CRM, because the negative impact on cost-effectiveness reduces over time and the positive influence on profit efficacy improves with the passage of time. They added

that companies that are committed to building CRM skills can take full advantage of technology.

In this case, it is important to note that the application of CRM does not affect performance equally for different dimensions of the process. It merely impacts the dimensions strengthened by appropriate organisational stakeholders, and also influences the context of time and place of application. Some studies found a negative and insignificant impact of CRM on the performance of firms. Hendricks, Singhal, and Stratman (2007) studied the impact of investment in the CRM process on the financial performance of an organisation, such as long-term stock price, asset turnover and sales turnover in publicly traded firms. They found that there was no evidence of enhanced profitability in businesses that had investment in CRM. However, Soch and Sandhu (2008) also conducted a study to examine the influence of CRM on the monetary performance of firms from various industries in India and found an insignificant influence on performance.

In line with these inconsistent results, several studies (Elbakraoui et al., 2011; Hong-kit Yim, Anderson, & Swaminathan, 2004) have found mixed results concerning the implementation of CRM and business performance (e.g. financial performance, market performance, customer satisfaction, client's loyalty and sales improvement). These results depended on the CRM implementation directions and dependent variables. The inconsistent findings that have appeared in the academic literature regarding the direct impact of CRM on organisational performance, indicate a need for more investigative research, as Trainor et al. (2014) suggest. Verhoef, Reinartz, and Krafft (2010) conducted an empirical study on CRM implementation in four different industries (financial services, products and retail, communication and information technology, and utilities). They found that CRM implementation in the financial sector produced better results than in any other industry. This led them to stress the need to focus on specific industries in investigating the influence of CRM on business performance.

The hotel industry can be considered one of the industries that is better suited to CRM and able to gain many benefits from implementing CRM successfully. This is because hotel operation depends on the face-to-face connection between service providers and customers. Hotels are able to obtain considerable data about their customers, which they can use to generate valuable information about them (Olsen & Connolly, 2000). Collecting, managing and sharing customer data within various departments enables hotel and restaurant operators to customise and personalise their offerings to enhance their clients' satisfaction, loyalty, and retention. This study uses only three directions of CRM: customer orientation, CRM organisation and information organisation. This is because these are more significantly associated with the main elements of CRM. Based on the above discussion, this study hypothesises the following:

H₁: CRM has a significant relationship to the organisational performance of Thai restaurants and hotels.

H_{1a}: Customer orientation has a significant relationship to the organisational performance of Thai restaurants and hotels.

H_{1b}: CRM organisation has a significant relationship to the organisational performance of Thai restaurants and hotels.

H_{1c}: Knowledge management has a significant relationship to the organisational performance of Thai restaurants and hotels.

Supply Chain Information Technology Capabilities

The revolution of IT began in the United States in 1970s. Meanwhile, researchers started to pay attention to the importance of information systems in management. Thus, the first academic papers were published (Galbraith, Afonso, & Harkins, 1984). In the 1980s, scholars started to developed theories and case studies on IT (Porter & Millar, 1985). In the 1990s, technological advancements were widely accepted and adopted in society and SCM (Zhang, van Donk, & van der Vaart, 2007). IT utilisation is widely recognised as a success factor in SCM and an essential method to improve supply chain success (Hwang & Min, 2013; Zhang et al., 2007). Aral and Weill (2007) concluded that supply chain IT capabilities make a difference in the performance of firms and their use enhances flexibility.

However, a higher level of IT capability does not promise an advanced degree of knowledge and information reliability (Javanmardi, Khabushani, & Abdi, 2012). IT is an important and prominent asset for achieving business goals. Moshiri and Simpson (2011) discuss that improved information technology plays a vital role in organisational as well as individual success by transforming business environments, enhancing competition, and providing bases for innovation. Advanced technology not only plays an important role in various sectors of the economy but also improve the methods of undertaking business (Ali & Younes, 2013). IT was found to be crucial in the automotive industry in order to meld operations accordingly for customers. A study by Moshiri and Simpson (2011) argues that the adoption of computer technology by workers has a positive impact on the productivity of businesses.

Currently, IT is used to make better SCM processes, improve working effectiveness, diminish operational costs, increase responsiveness, create better agility (Azam, 2015), decrease processing times, advance cooperative work, enlarge market limits, improved co-operation, improve customer relationships, create proactivity in response (Fasanghari, 2008), create comprehensive knowledge (Craighead & Laforge, 2003), as well as recover appropriateness and correctness of information sharing (Handfield & Nichols, 2002). It also offers the potential to shift supply chain networks and the processes of working. Therefore, firms prompt the utilisation of IT to uphold and sustain the capability of satisfying clients (Al-

Majed, Al-Omar, & Nagi, 2006). In many of companies, employees are not well equipped with information and skills (Fasanghari, 2008). Hence, firms should invest in the training of human resources to generate strong competency in IT.

RBV, with respect to IT, indicates that these resources in businesses lead to competitive advantages. Bharadwaj (2000) discusses that human resource IT skills, IT infrastructure, and IT configurability are unique resources in companies. The combination of individual IT resources provide potent organisational competency in firms (Bharadwaj, 2000). The relationship between IT competency and organisational performance is becoming more complex in contemporary business settings (Jeffers, Muhanna, & Nault, 2008). Bharadwaj (2000) concluded that numerous IT abilities might be sources of competitive advantages. Nevertheless, a limited number of studies have explored the RBV of IT capabilities and most of the analyses of data were of a conceptual nature. IT capabilities include IT Infrastructures, IT Personnel and IT Knowledge. Hence, this study hypothesises that:

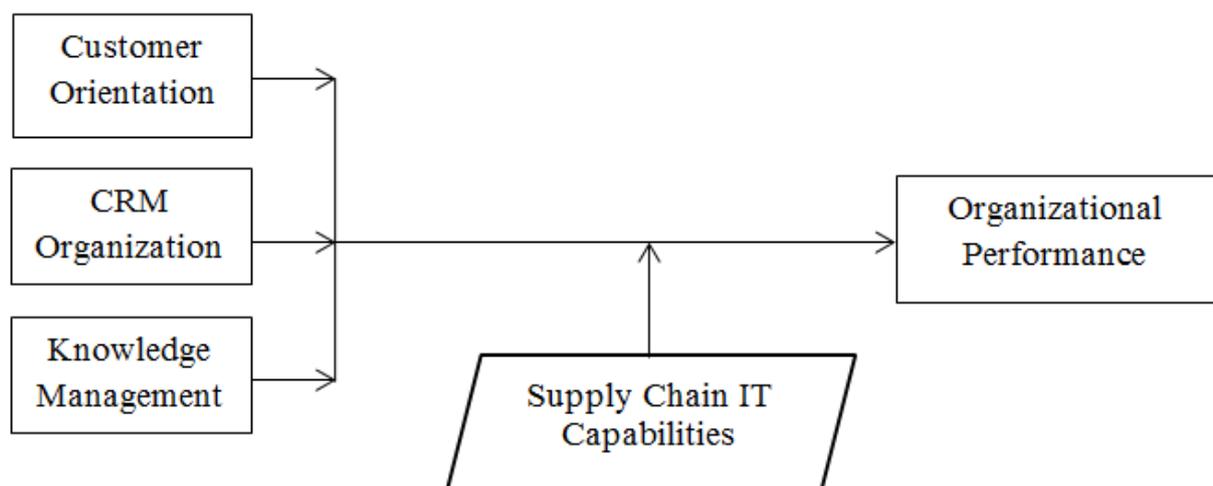
H₂: Supply chain IT capabilities have a moderating role in the association of CRM with the organisational performance of Thai restaurants and hotels.

Research Framework

This study examines the moderating role of supply chain information technology capabilities in the association between customer relationship management and the performance of the restaurants and hotels of Thailand. The proposed research framework is presented Figure 1.

Figure 1

Proposed Research Framework



Methodology

In essence, the research design provides a general plan of how the researchers will conduct this study to answer the research questions. The most appropriate method to explain the relationships among measurable variables is a quantitative research method (Leedy & Ormrod, 2005). This study employs a quantitative approach with a cross-sectional survey method because the application of quantitative methods is more suitable when the developed conceptual model requires analysis of a larger sample of the population (Deshpande, 1983). A cross-sectional survey method was applied because it makes it possible to collect a larger amount of data from a large population in a highly economical way. It is also likely throughout the survey strategy to draw findings that are representative of the whole population. Data collection involved mailing questionnaires and covering letters clarifying the purpose of the study to the managers of 200 hotels. The respondents were managers or senior managers. The units of analysis were organisations, and a single questionnaire was sent to the hotel manager or a senior manager for each hotel.

Analysis and Discussion

The research design in this study used a questionnaire approach. Smart-PLS was used to analyse the questionnaire data. The responses to all parts of the questionnaires were analysed using two stage data analysis methods. In first stage, a “measurement model” was assessed for examination of the reliability and validity of variables. In second stage “structural model assessment” was applied for hypotheses testing.

Measurement Model Assessment

“Reliability and validity” are normally applied in a quantitative research approach. The reliability of a scale indicates how free it is from random error. In this study, the reliability of the instrument was tested using “Cronbach’s Alpha”. Reliability analysis was conducted on the factors extracted using the recommendation of Hair et al. (2010). Instruments’ internal consistencies were measured through a reliability test. Validity is the extent to which a scale or set of measures accurately represents the construct of interest. The construct validity was measured by using “Fornell-Larcker” criterion. In this method, the “square root of AVE” was used for the assessment of discriminant validity.

Figure 2
Measurement Model Assessment

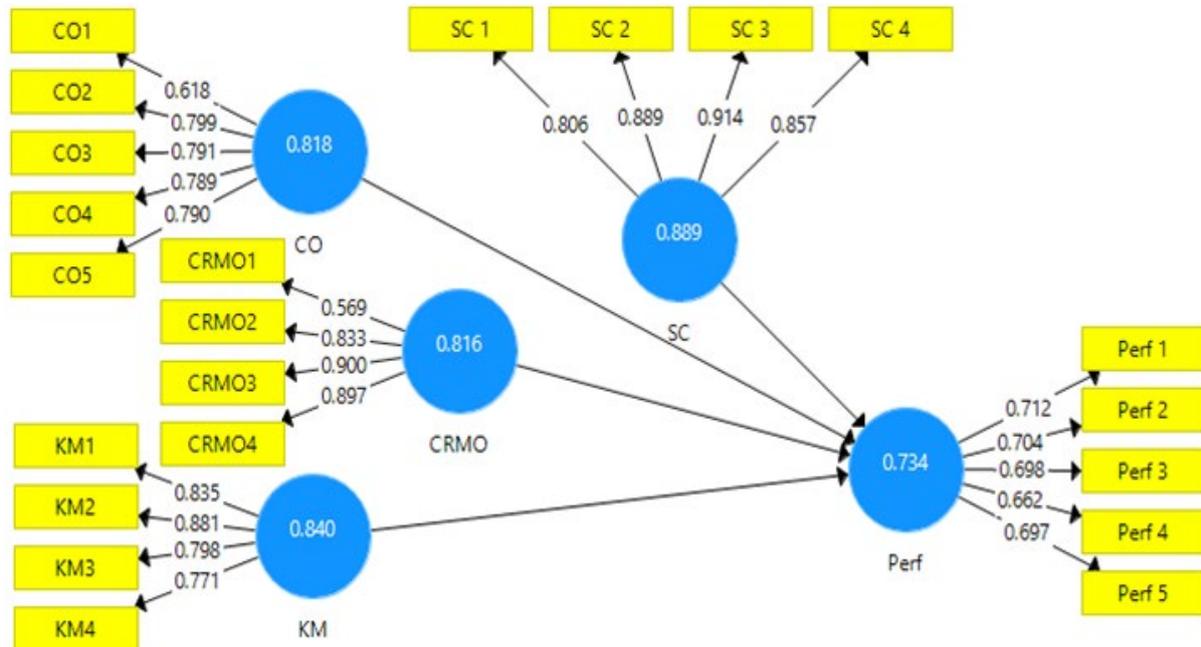


Table 1
Values of Alpha and CR:

Sr#	Constructs	alpha	CR
1	Customer Orientation	0.818	0.872
2	CRM Organisation	0.816	0.882
3	Knowledge Management	0.840	0.893
4	Supply Chain IT Capabilities	0.889	0.823
5	Organisational Performance	0.734	0.924

Table 2 presents that the “square root of AVE” for the investigation of Validity of constructs.

Table 2
Discriminant Validity

Sr#	Constructs	1	2	3	4	5
1	Customer Orientation	0.811				
2	CRM Organisation	0.645	0.721			
3	Knowledge Management	0.709	0.639	0.695		
4	Supply Chain IT Capabilities	0.636	0.670	0.525	0.645	
5	Organisational Performance	0.424	0.349	0.233	0.525	0.546

Structural Model

Structural model assessment was carried out to test the hypotheses of this study. The results of the structural model are presented in Table 3 and Table 4.

Figure 3
Structural Model Assessment

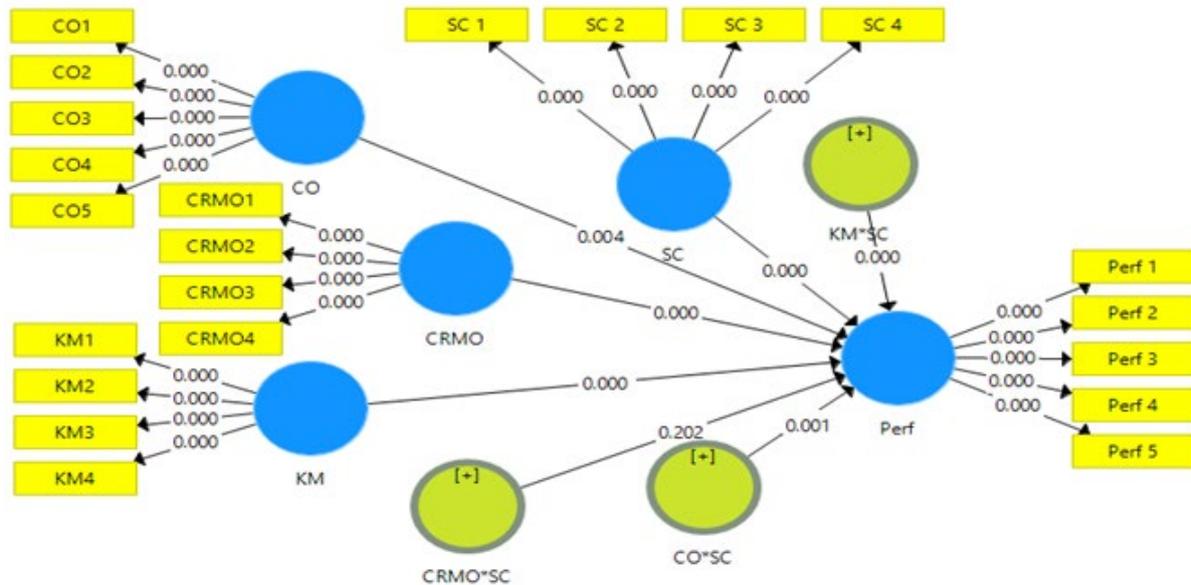


Table 3
Structural Model Assessment (Direct Results)

	(β)	(STDEV)	T Statistics	P Values
CO -> Perf	0.346	0.139	2.489	0.004
CRMO -> Perf	0.408	0.069	5.913	0.000
KM -> Perf	0.314	0.052	6.038	0.000

The results of the structural model found that customer orientation significantly affects the performance of Thai restaurants and hotels with a β value of 0.346 and t-value of 2.489, which is greater than the threshold value of 1.96. Therefore, hypothesis H₁ is supported. Moreover, CRM organisation and Knowledge Management also significantly affects the organisational performance of the restaurants and hotels of Thailand. These findings are in line with the study of Rashid and Tahir (Rashid & Tahir, 2013).

Table 4

Structural Model Assessment (Moderation)

	(β)	(STDEV)	T Statistics	P Values
CO*SC -> Perf	0.409	0.133	3.075	0.001
CRMO*SC -> Perf	0.186	0.148	1.256	0.202
KM*SC -> Perf	0.325	0.111	2.928	0.000

The findings regarding the moderation effect of supply chain IT capabilities are presented in Table 4. The results indicate that supply chain IT capabilities have a significant moderating role in the relationship of customer orientation and knowledge management and organisational performance. It also has a moderating effect on the relationship between CRM and organisational performance.

Conclusion

The purpose of this paper was to investigate the moderating effect of supply chain information technology capabilities on the association between customer relationship management and the performance of Thai restaurant and hotels. A quantitative research approach with a survey questionnaire was carried out to achieve the objective of this study. Restaurant and hotel managers were the respondents of this study. Data was analysed by SMART-PLS statistical software and structural equation modelling was applied for the testing of hypotheses. The findings of this study illustrated that supply chain information technology is vital for the performance of restaurant and hotel industries. It enhances the effect of customer relationship management on organisational performance of Thai restaurants and hotels. This study contributes to the literature on performance, especially the performance of the hotel sector, since it helps to fill a gap in the area by looking at the influence of CRM and supply chain IT capabilities on hotel and restaurant performances. The findings of this study provide insights into hotel and restaurant performance in Thailand from the perspective of CRM and supply chain IT capabilities. Using the Findings, managers might improve their restaurant and hotels' performance, and thereby ensure their survival in a highly competitive marketplace.

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