Full Length Research Paper

E-Newsletter as a marketing tool for hospitality and travel firms to retain customers

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There are no empirical studies on e-mail newsletters, especially studies focused on the hospitality and travel industries. The study uses literature on customer retention and customer relationship marketing together with information on hospitality and travel firms to provide insights on the benefits of using email newsletters as well as considerations in creating and improving email newsletters to ensure positive outcomes. E-mail newsletters support customer retention by establishing and maintaining continuous communication and interaction of hospitality and travel firms with customers. E-mail newsletters work best as a customer relationship marketing tool. Certain considerations facilitate relationship building, which are interactive relevant and compelling e-mail newsletter content, clean design, content and viewing options for the recipient, and personalization and customization based on the experience of a hotel and a travel firm. The results of integrating these considerations in e-mail newsletters are continuous interaction and purchases measured through significant open, click and response rates. When intended for customer relationship building and used well, e-mail newsletters can help hospitality and travel firms to retain their customers in the long run.

Key words: Customer retention, relationship marketing, customer relationship marketing, e-mail customer relationship marketing, e-mail newsletter, hospitality and travel.

INTRODUCTION

Consumption in the travel industry regained momentum in 2010 and this is expected to steadily increase in the coming years. Growth in consumption is set at 4.5% from 2010 to 2012, representing a 3662.62 billion, 3859.48 billion, and US$4047.52 billion worth of travel consumption in 2010, 2011 and 2012 respectively (World Travel and Tourism Council, 2011). Many consumers who postponed travel plans because of the setback from the global recession are travelling again. Competition in the travel industry is likely to intensify in the next years.

In competing for consumers, gaining new customers has been the priority of hospitality and travel firms. Marketing deals focused on ways of attracting new customers. Limited time discounts and service bundles or regularly offering new service features have been ways by which travel firms have attracted new customers. These strategies have resulted in the increase in new customers of travel agencies, car rentals, hotels, restau-rants and tourist destinations. However, the emerging challenge is customer retention. According to the American Society of Travel Agents (2009), customer retention is the biggest issue for travel firms followed by attraction of new customers. Another report also revealed that 92.3% of firms in the travel industry consider customer retention as a very important issue for firms, while 63.4% consider gaining new customers as very important (eyefortravel, 2010). While having new custo-mers is important, retaining customers is equally important in the long run. Travel firms need to determine strategies that work in retaining customers.

Various factors contribute to the retention of customers, including perceived brand value, customer experience of service delivery, staff support and after sales support, and competitive pricing (Millan and Esteban, 2004). As a service industry, keeping customers interested is strongly influenced by the establishment of a good and long-term relationship with customers. Hospitality and travel firms need to manage customer relationships effectively to

ensure continuity. Newsletters are age-old ways of keeping in touch with customers. The idea of the newsletter is to regularly provide customers with updates on the firm including new services, deals or promotions. Customers signing up for newsletters intend or expect to continue a relationship with the firm, even after the fulfillment of a particular service. Customers who did not explicitly register to receive newsletters but are sent copies could find out about services that might be of interest to them and make repeat purchases.

Many hospitality and travel firms do not have newsletters for customers because of the perception of this technique as passé and time consuming. There are also firms with newsletters but were unable to fully utilize online tools. Some customers also do not sign up for newsletters for the same reasons. With the Internet, e-mailing newsletters has made the process easier, faster and less costly. The content and design of the newsletter can be done on the computer and sent to the e-mails of customers without requiring printing and mailing. The newsletter can also be made into a concise version that appears when opening the e-mail or a full version sent as a downloadable file. At the same time, customers receiving newsletters can easily scan, read or delete the newsletter from their e-mails.

E-mailing can revitalize newsletters, as a way of managing customer relations, to support retention. E-mailing newsletters could maintain communication lines with consumers. Consumers may even respond by inquiring about a service seen on the newsletter or by engaging the services of the hospitality and travel firm again. However, there are also issues that require consideration. One is the development of creative and informative newsletters. Even customers who registered for newsletters may not take interest in reading a dull newsletter. Customers who did not register for news-letters may have even more negative impression of a boring newsletter. The other is the manner of sending the newsletter via e-mail. Most people do not like receiving spam emails because these consume and clutter e-mail space. Personalizing e-mailed newsletters appears to be a better approach, especially in sending to those who left their contact information but have not explicitly registered to receive newsletters.

E-mailed newsletters comprise a revitalized way of keeping in touch with customers. Hospitality and travel firms can understand and take interest in using e-mail newsletters to retain customers or make improvements to their e-mail newsletters by considering the benefits, the ways of making effective newsletters, and the outcomes achieved from e-mail newsletters.

METHODOLOGY

Archival research supported the collection of data on e-mail newsletters in support of customer retention in the hospitality and travel sectors. Newsletters have been used for decades to send

information and offers to customers. Empirical studies on e-mail newsletters are nil, especially studies focused on e-mail newsletters in the hospitality and travel industries. A number of hospitality and travel firms used e-mail newsletters and have succeeded in maintaining long-term relationship with customers. The study proceeds by considering literature on customer retention and customer relationship marketing together with information on hospitality and travel firms to provide insights on the benefits of using e-mail newsletters as well as considerations in creating and improving e-mail newsletters to ensure positive outcomes.

DISCUSSION

Customer retention

Customer retention is keeping the customer or having customers make repeat purchases in the long term (Ang and Buttle, 2005). This is a goal that is equally important to gaining new customers. Success in retaining customers leads to increased purchases, voluntary referral, decreased relationship-building cost, and willingness to pay higher or non-discounted prices (Ang and Buttle, 2005). Customer retention is also a determinant of the value of firms in case of mergers and acquisitions (Campbell, 2004). Customer retention has two components. One is having a positive relationship with customers. Firms can establish a positive relationship with consumers by ensuring customer satisfaction, affective commitment, and calculative commitment (Gustafsson et al., 2005). The satisfaction of customers refers to the overall assessment of the service experience. The extent of assessment influences loyalty to the brand, company and/or service to support continued purchases. Ensuring customer satisfaction can positively affect customer retention. Affective commitment is the strong connection based on a positive evaluation of the relational aspects of the service experience by the customer. Providing a good human relationship experience with the firm can build affective commitment, which can persist in the long-term. Calculative commitment refers to perceptions of the economic soundness of maintaining a relationship with the service firm. Ensuring an economic edge, in terms of competitive pricing, accessible location, convenience, and similar factors can support calculative commitment that could support repeat purchases. The other is adopting a long-term approach to customer relations. Firms have to adopt a systematic approach to customer retention (Fader and Hardie, 2007). Firms can effectively control customer churn by learning retention factors from the customer database, using the information to identify customers likely to leave, and identifying practices that can be implemented to prevent them from leaving (Chu et al., 2007).

In the hospitality and travel industry, some studies provide factors in achieving customer retention. A study of lodging repurchase found that purpose of travel and actual onsite experience influenced customer retention

(Oh and Jeong, 2004). Customers made subsequent purchases when information and offers match their travel intensions and had a good experience during the travel. Another study found a similar pattern, with actual experience of the tourist site influencing the intention to return to the site again and more previous visits indicating the higher propensity of the customer to return again (Alegre and Cladere, 2009). Consistent positive experience reinforces customers' retention.

Customer relationship marketing

A significant part of the customer service experience, which affects customers' retention, is the interaction or relationship with the firm. Customer relationship marketing is a concept underlying practices on customer retention.

According to Berry (2002), who introduced relationship marketing, this means "attracting, maintaining, and –in multi-service organizations–enhancing customer relation-ships". As a marketing concept, relationship marketing is selling a mutually-beneficial relationship to customers. Relationship marketing ushers customer retention. Christopher et al. (1991) explained relationship marketing as improving "long run profitability by shifting from transaction-based marketing, with its emphasis on winning new customers, to customer retention through effective management of customer relationships". By managing relationships with customers, firms can retain them. Zeithaml et al. (2006) have a similar idea in explaining the goal of relationship marketing as "building of long term relationships with customers to ensure their long term loyalty and commitment towards the business". As such, customer relationship marketing involves a relational and long-term approach. Firms need to nurture established relationships with customers to have them as clients for a long time. As an alternative concept to transactional marketing, relationship marketing received two criticisms. One is its unclear position as a theory and the other is little concrete benefits (Palmer, 2002). While these criticisms may have merit, the importance of enhancing relationship with customers is important in the long-term. However, there is need to derive empirical evidence of relationship marketing and its impact on customer retention.

To apply the relationship marketing concept, firms need to understand its distinguishing characteristics. Customer relationship marketing is a concept positioned at the opposite of the spectrum from transactional marketing. The comparison between the two concepts is summarized in Table 1. In using relationship marketing, firms should focus on relationship with existing customers, heighten interaction with customers, target customers as long-term clients, improve interactive and relationship skills of employees, and accommodate customizations for all customers (Hennig-Thurau and Hansen, 2000).

The rationale for employing relationship marketing is shown by the model in Figure 1. Relationship marketing targets customer retention by balancing closeness with customers and independence of customers. Customers achieve a sense of fulfillment in being able to make purchasing decisions on their own and at the same time seek socialization and information sharing on certain aspects in making decisions (Hennig-Thurau and Hansen, 2000). Customer retention is ensured by establishing a close relationship with customers but providing them room for independent decision-making. The firm should be there when needed by customers, especially in accommodating customized needs and on standby when not needed in order to build trust and commitment as well as satisfy customers. In achieving the balance, consumers achieve security in their relationship with the firm and vice versa to create a lasting relationship and the firm secures its profitability (Hennig-Thurau and Hansen, 2000).

Firms can use a number of instruments in relationship marketing, which are: 1) products and/or services; 2) communications; 3) pricing; 4) distribution; and 5) integrative instruments (Zeithaml et al., 2006). These instruments are also available online to support e-customer relationship marketing. Customization of products and/or services satisfies customers and builds trust. Consistency in the ability to accommodate customization requests from consumers enhances commitment to the firm. Customization requests can be facilitated by onsite or online forms for customers to fill-up when making reservations or seeking assistance. Communicating to customers need to be a combination of listening and talking to strengthen the relationship. This applies whether the communication is through on-site personnel, telephone, chat, or e-mail. Pricing is a way of communicating benefits to customers. A discount represents the immediate benefit of lower cost. Price differentiation can express effort by the firm to make it work for all customers. Distribution is a tool to obtain information from the customer to bring products and services closer or more accessible to the customer. Integrative instruments combine the other relationship marketing instruments to enhance the relationship, such as membership cards that integrate products and/or services, communication and pricing instruments, to strengthen the relationship with customers. Integrative instruments can be used in personal, telephone or online interaction with customers.

In the hospitality and travel industries, e-customer relationship marketing can support customer retention. A study (Roberts-Lombard, 2009) on the perspective of managers of travel agencies on customer relationship management showed that increasing loyal customers involves providing them with the means to communicate their feedback on their experiences with the firm through interactive venues. Interactive venues can be through website feedback or review forms, e-mails, and social

Table 1. Comparison of Transactional Marketing and Relationship Marketing.

Criterion	Relationship marketing	Transactional marketing
Primary object	Relationship	Single transaction
General approach	Interaction-related	Action-related
Perspective	Evolutionary-dynamic	static
Basic orientation	Implementation-oriented	Decision-oriented
Long-term vs. short-term	Generally takes a long-term perspective	Generally takes a short-term perspective
Fundamental strategy	Maintenance of existing relationships	Acquisition of new customers
Focus in decision process	All phases focus on post-sales decisions and action	Pre-sales activities
Intensity of contact	High	Low
Degree of mutual dependence	Generally high	Generally low
Measurement of customer satisfaction	Managing the customer base (direct approach)	Monitoring market share (indirect approach)
Dominant quality dimension	Quality of interaction	Quality of output
Production of quality	The concern of all	Primary concern of production
Role of internal marketing	Substantial strategic importance	No or limited importance
Importance of employees for business success	High	Low
Production focus	Mass customization	Mass production

Source: (Hennig-Thurau and Hansen, 2000, p. 5).

networking pages. Another study (Samanta, 2009) on e-customer relationship in Greek hotels showed that hotels are adopting online tools but limited to providing infor-mation in response to customer queries and during reservations. The hotels have yet to utilize online venues for e-customer relationship marketing because of limited staff training. In the case of travel agencies, a survey (Godwin, 2009) showed their robust use of various online means to retain customers, such as through online advertising, websites, and e-mail communications with customers on their database. Travel agencies use online tools to keep their customers interests and ensure repeat purchases.

E-mail relationship marketing

Email is an online channel for interactive marketing. There are many benefits to using email, relative to other direct communication channels and these are low cost, many users, personal channel, customizable, supports interaction, enables interaction tracking and effect measurement (Hasouneh and Alqeed, 2010). E-mail marketing is "sending marketing communications to recipients who first request it" (Kinnard, 2000). E-mail relationship marketing focuses on enhancing relationship using e-mail (Brondmo, 2000). The integration of the definition of e-mail marketing and e-mail relationship marketing leads to three core elements. First is the activity of communicating with customers through email by considering factors such as content, aesthetics and personalization. Customers appreciate useful and concise information presented in a creative manner and sent as a personal message. Content and creative

presentation captures the interest of e-mail recipients. Personalization is an important aspect of e-mail commun-ications for relationship marketing because most people ignore spam mail or even make effort to block nuisance senders. Personalization, by addressing the customer by name or sending e-mails individually, also acts as reminder of the customer's relationship with the firm. Second is the element of prior request before sending e-mail. Obtaining permission from consumers prior to sending e-mail ensures that e-mailing improves the relationship with the client (MacPherson, 2001). Otherwise, sending unsolicited e-mails can be considered intrusion by customers and will not help in relationship building. Firms have two ways of obtaining permission in sending e-mail. One is through option or opt-in by using forms requiring e-mail information for contact. Filling in the e-mail address as contact detail expresses permiss-ion. The other is by opt-out or by sending e-mails to customers and providing them with an option to unsubscribe or deactivate e-mailing from the firm. Of this two, opt-in is better in improving customer relationship because it is with the permission of the customers, which means the likelihood of responses and interaction. In hospitality and travel industries, e-mail is the third most used online tool in relationship marketing (Nadine, 2009). Actual cases (Table 2) provide examples of e-mail relationship marketing by hotels, travel agencies, and transportation firms. A number of hotels and resorts have benefitted from using e-mail in relationship marketing. Broadmoor Hotel in Colorado placed two laptops on its small booth at a meeting planners international (MPI) trade show held at the hotel to obtain feedback from participants. The computer also requests for opt-in e-mail information. The hotel used the e-mail database together
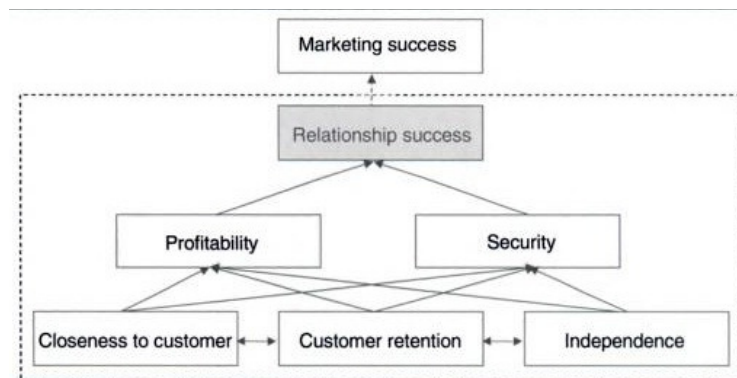
Figure 1. Relationship marketing model. (Hennig-Thurau and Hansen, 2000: 7).

Table 2. Email relationship marketing strategies and outcomes in hospitality and travel firms.

Firm	Email use	Outcome
Broadmoor Hotel	Gathered e-mails through a tradeshow booth laptop to gain contacts for offers	New leads, closed sales
Greenbrier Resort	Follow-up e-mail focused on segmentation and testing, e-mail design, and other aspects of e-mail marketing	Significant conversion rate
Intrawest Resorts	Customized e-mail (countdowns, directions, reminders, photo of skier and upload it in e-mail as reminder of the experience, advertisements of establishments at the resort, weather reports), experimentation on the e-mail that work for different customers	2 to 3 times increase in average e-mail response rate
Affinia Hotels	Service-based incentive for opt-in e-mail F	Increased opt-in e-mail addresses by 3 to 30%
Stay Aspen	Pre-travel and follow-up e-mails (immediately after booking reservation to provide information services and concerns and 7 days after the visit to follow-up on the experience)	80% click rate on services, 2% purchase rate
LibGo Travel	Pre-travel e-mail to brides to offer related travel services.	
Budget rent a car	E-mail promotions	5.6% conversion rate
JetBlue	Mini-booker link in email, segmented e-mailing	6% e-mail opt-in rate, 30% open rate
Air New Zealand	E-mail promotions	15:1 ROI

Source: (MarketingSherpa, 2003a, b, 2006a, b, 2007; Dean, 2005; Gedney, 2006; Magill, 2007; Silverpop, 2010).

with the corresponding feedback to send three e-mails: 1) a thank you note together with the chance to win a digital camera right after a participant provided feedback; 2) an e-mail after a week announcing the winner of the digital camera; and 3) an e-mail for a 4 day dream vacation raffle that requires registration. After three months, the e-mail campaign resulted to 58 potential repeat customers and 5 actual purchases outside of the raffle. (Gedney, 2006) Greenbrier Resort focused on follow-up e-mails to ensure repeat visits by employing segmentation and experimentation on the design and content of emails that work best in ensuring return customers from different market segments. The resort achieved significant conversion as well as return customers (Marketing

Sherpa, 2006a). Intrawest resorts also employed customized e-mails providing countdown, reminders, directions, recommended establishments or services, and weather report prior to the travel date and e-mail for feedback or additional offers after the visit. The firm reported a 2 to 3 times increase in the response rate of consumers (Magill, 2007). Affinia hotels used e-mail differently by focusing on continuous great deals for repeat customers to result to an increase from 3 to 30% of the number of opt-in e-mails and continued communication with customers (Marketing Sherpa, 2003a). Two travel firms, Stay Aspen and LibGo, sent pre and post-travel e-mails to connect to customers and enhance the travel experience. Stay Aspen sends pre-travel email to provide information and address concerns as well as send post-travel e-mail to draw feedback on the travel experience (Dean, 2005). LibGo sends automated pre-travel email specifically to brides to assist in their preparation and offer wedding and post-wedding related services as well as send post-travel e-mail to obtain feedback from brides (MarketingSherpa, 2006b). The travel firms, Budget Rent a Car, JetBlue and Air NZ, utilized e-mail mostly to communicate promotions to consumers (MarketingSherpa, 2003b, 2007; Silverpop, 2010). JetBlue also applied segmented e-mailing (MarketingSherpa, 2007), while Air NZ employed personality determined e-mail (Silverpop, 2010). These firms achieved significant conversion rates, opt-in rates, and even ROI while at the same time continuing communications with customers (MarketingSherpa, 2003b, 2007; Silverpop, 2010).

Based on the way that the different hospitality and travel firms used e-mail, they were able to address the elements of e-mail relationship marketing. All the firms used e-mail to communicate with customers (MacPherson, 2001; Hasouneh and Alqeed, 2010). Communicating with customers enabled these firms to build a relationship with clients. Personalized e-mail emerged as a better tool in relationship building (Kinnard, 2000; Hasouneh and Alqeed, 2010) Three forms of communication were employed, which are automated, generic, and customized or segmented. While all these forms of communication worked in gaining new customers, customized or segmented communication worked best in continuing communication lines with customers and encouraging repeat purchases. Intrawest and Greenbrier both employed customized e-mails and reported increases in e-mail responses and repeat purchases. Creative content and design makes the communication more engaging for customers (Hasouneh and Alqeed, 2010). Greenbrier and Intrawest focused on e-mail content and design to support personalization and improved conversions and e-mail responses. An additional element of e-mail relationship marketing is prior request for the e-mail addresses of customers (Kinnard, 2000; MacPherson, 2001). Most of the firms collected e-mail addresses tacitly when customers

make reservations or purchases. Broadmoor Hotel and JetBlue were the two firms with opt-in e-mail options and both were able to gain significant repeat purchases.

Apart from explicitly obtaining e-mail addresses for purposes of continued communication, two other areas in improving e-mail use are segmentation and using e-mail to target relationship marketing. Customization depends on market segmentation. Hotels and travel agencies are keener towards segmentation than transportation firms. Transportation firms appear to be more focused on promotions and achievement of new customers to practice more generic or bulk e-mails. To support relationship marketing, emails should also target relationship building (Leggatt, 2010).

Relationship marketing through e-mail newsletters

People have the tendency to look at all their e-mails, even if limited only to identifying the sender and reading the title or subject (Joyner, 2011). The exception is spam mail, which most people ignore and regard as junk. Personalization is an important element of e-mailed communication (Kinnard, 2000; Hasouneh and Alqeed, 2010). The decision to open the e-mail, read the contents, and respond to the message depends on the receiver's perception of the sender and the interest on the topic. Positive regard are given to trusted and expected senders such as family, friends or co-workers together with companies with which the recipients left their e-mail addresses, whether with or without the intention of receiving newsletters. Opt-in customers are more likely to regard newsletters positively because they signed-up for it or expected to receive these in their e-mails (Kinnard, 2000; MacPherson, 2001). Even with positive perception towards the receiver, opening of e-mails depend on interest in the content. Content and creative design in e-mails influences the response of recipients (Hasouneh and Alqeed, 2010). HTML codes, links and file attach-ments can be included in the e-mail to provide concise information while giving a means of accessing more information, attracting readers' interest, and encouraging response in clicking links, responding to the e-mail, and forwarding the e-mail. Recipients opening the e-mail newsletters of travel firms and responding to these reinforce relationship building.

There are ways for travel firms to ensure that the recipients of e-mail newsletters open, read and respond to the newsletter (Table 3). The considerations were classified under the different components of e-mail newsletters. The content should be important to the recipient by providing interesting information that the recipient cannot know from any other source, such as exclusive offers. It should also be compelling, rewarding and inspiring to draw action (Joyner, 2011). Interactive content, such as polls, enable response from customers receiving the newsletter (Burns, 2011). The newsletter should also contain compelling offers as incentive for

Table 3. Best practices in ensuring that recipients open, read and respond to email newsletters.

Components of e-mail newsletters	Best practice
Content	Compelling offer, relevant and rewarding, interactive, expert information , inspiring
Frequency	Often but not too often, regular
Design	Clean, interesting subject or title, use company name as sender
Personalization	Personalize
Recipient options	Unsubscribe option, addition to address book request, selection of types of newsletters to receive
Delivery	Inbox delivery
Networking	Connect to blogs and social media

Source: (Burns, 2011; Cassell, 2011; Joyner, 2011; Saltzman, 2011).

response (Joyner, 2011). There is no absolute frequency in sending newsletters. It should be regular to maintain communication (Burns, 2011). It can be often but not very often (Joyner, 2011) so as not to stifle recipients. The frequency in sending newsletters depends on developments in the company and its services together with the provision of new offers (Cassell, 2011). The design should be clean by using white space, combining text and graphics, and using graphics with small file size to ensure fast download (Joyner, 2011). It is also important to have an interesting subject or title for the newsletter to catch the attention of recipients (Burns, 2011). Using the company as sender also ensures recognition of the sender for recipients to open and read the newsletter (Saltzman, 2011). Personalization, customization and segmentation are important to encourage recipients to open the newsletter. Addressing the newsletter using the name of recipients is a good way of personalizing e-mail to reinforce the relationship with the recipient (Joyner, 2011). Contrary to common belief, providing recipients with options, such as to unsubscribe (Burns, 2011), inclusion in the e-mail address book (Joyner, 2011), types of newsletters to receive (Cassell, 2011) are likely to result to more opened and read newsletters rather than imposing subscriptions or sending all newsletters to the recipient. Inbox delivery of newsletters is best because people rarely read spam mail. Ways of preventing newsletters from being sent as spam is to keep track of recipients with complaints from receiving newsletters and removing them from the list or to send newsletters by batches (Burns, 2011). E-mail newsletters that are concise with links to full content in blogs and connected to social media can enhance customer relations (Joyner, 2011).

Two firms yield insights on the use of e-mail newsletters for customer relationship marketing in the hospitality and travel industries. The experiences of these firms provide information on the ways of using e-mail newsletters in customer relationship building and the outcomes.

Fairmont Hotels and Resorts first introduced its e-mail newsletters in 2001 to build customer relationship. The firm has four newsletters. The Fairmont President's Club, with 250,000 subscribers and 30% open rate, contains special promotions and destination reviews for consumers. The Willow Stream Spa is an annual newsletter sent to 40,000 customers with a 45% open rate. ResPlus is a B-to-B newsletter to 60,000 administrative assistants containing tips on corporate booking. Fairmont Famous was made for travel agents, with 10,000 subscribers and 30% open rate. The significant number of subscribers and open rates reflects on the extent of communication and relationship of the firm with its customers and related firms. These newsletters have many subscribers and significant open rates by making constant improvement based on feedback on the newsletters, using opt-in subscription supported by quality service, and providing delivery and viewing options such as text, HTML or rich media. The open rate on viewing options is 40% for rich media, 25% for HTML, and 5% for plain text. (Galeno, 2005) The success of Fairmont Hotels and Resorts in using e-mail newsletters to build customer relationship is attributable to interactive content, compelling offers, clean design, and recipient options.

Responsible Travel is an international travel agency with a weekly e-mail newsletter that experienced decline in recipient open and click rates. The problem was customization and segmentation to ensure that newsletter content is relevant to the recipient. The firm embedded a tracking code to match the searches on the firm's website with e-mails of the person making the query. Newsletters sent to the person contain a customized front page on the top travels that are of interest to the recipient. Right after booking, customers also receive newsletters with a customized page on related services that could be useful and interesting to the traveler. The firm's improved newsletter has an open rate of 56% and click rate of 44%. Since the firm improved its e-mail newsletter, the inquiry rate in response to the newsletter increased by 254% (E-mailcenter, 2010). More than half of recipients opening the e-mail newsletter and nearly half clicking on links in the e-mail newsletter express the extent of communication and interaction to foster customer relationship building. The success of the travel

firm in having a high open and click rate is due to personalization and customization, which made the content relevant and compelling.

Conclusion

Printed and mailed newsletters may be antiquated relationship marketing tools. However, the advent of e-mail has revitalized the utility of newsletters in building and sustaining customer relationship as an electronic venue in sending e-newsletters. E-mail newsletters support customer retention through the principle of customer relationship marketing by establishing and maintaining continued communication and interaction of hospitality and travel firms with customers. E-mail newsletters work best as a customer relationship marketing tool when intended as such. Email newsletters can attract new customers and increase sales, as in the case of transportation firms. When used to build customer relationship, e-mail newsletters can maintain customers and sustain sales, as in the case of hotel and travel agencies. Certain considerations in using e-mail newsletters facilitate relationship building. These considerations are interactive relevant and compelling email newsletter content, clean design, content and viewing options for the recipient, and personalization and customization based on the experience of a hotel and a travel firm. The outcomes in integrating these considerations in e-mail newsletters are continued inte-raction and purchases measured through significant open, click and response rates. When intended for customer relationship building and used well, e-mail newsletters can help hospitality and travel firms to retain their customers in the long-term.

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